Australian Government
Australian Institute of Health and Welfare

Hospital resources 2014–15

Australian hospital statistics

Australian Government
Australian Institute of Health and Welfare

Authoritative information and statistics to promote better health and wellbeing

HEALTH SERVICES SERIES
Number 71

Hospital resources 2014–15:

Australian hospital statistics

Australian Institute of Health and Welfare
Canberra
Cat. no. HSE 176

The Australian Institute of Health and Welfare is a major national agency that provides reliable, regular and relevant information and statistics on Australia's health and welfare. The Institute's purpose is to provide authoritative information and statistics to promote better health and wellbeing among Australians.

This publication is part of the Australian Institute of Health and Welfare's Health services series. A complete list of the Institute's publications is available from the Institute's website <www.aihw.gov.au>.

ISSN 2205-5096 (PDF)
ISSN 1036-613X (Print)
ISBN 978-1-74249-968-0 (PDF)
ISBN 978-1-74249-969-7 (Print)

Suggested citation
Australian Institute of Health and Welfare 2016. Hospital resources 2014–15: Australian hospital statistics. Health services series no. 71. Cat. no. HSE 176. Canberra: AIHW.

Any enquiries about copyright or comments on this publication should be directed to:
Digital and Media Communications Unit
Australian Institute of Health and Welfare
GPO Box 570
Canberra ACT 2601
Tel: (02) 6244 1000
Email: info@aihw.gov.au

Published by the Australian Institute of Health and Welfare

This publication is printed in accordance with ISO 14001 (Environmental Management Systems) and ISO 9001 (Quality Management Systems). The paper is sourced from sustainably managed certified forests.

MIX
From responsible sources
FSC® C017269
FSC www.fsc.org

Please note that there is the potential for minor revisions of data in this report. Please check the online version at <www.aihw.gov.au> for any amendments.

Foreword

I am pleased to present *Hospital resources 2014–15: Australian hospital statistics*, an authoritative annual report that provides information about Australia's public and private hospitals for the period 1 July 2014 to 30 June 2015.

For the first time, this report includes estimates of how much was spent on different types of public hospital services—admitted patient care, non-admitted patient care, emergency care services and teaching, training and research.

It also includes information on public hospital service-related staffing and recurrent expenditure that was reported for local hospital networks and state and territory health authorities, to supplement the information reported for many years for individual hospitals.

This report is part of the set of reports that the AIHW has published on Australia's hospitals for 2014–15. Reports on elective surgery waiting times, emergency department care and *Staphylococcus aureus* bacteraemia in public hospitals were published in late 2015. *Admitted patient care 2014–15: Australian hospital statistics* was released in March 2015. *Non-admitted patient care 2014–15: Australian hospital statistics*, and a shorter companion report—*Australia's hospitals 2014–15: at a glance*—will be released on the same day as this report.

The *Australian hospital statistics* reports are based on the AIHW's comprehensive national hospitals databases. These databases are also the source of data for nationally agreed hospital performance indicators reported by the Steering Committee for the Review of Government Service Provision in its *Report on Government Services*.

The Institute is committed to working with stakeholders to improve the national statistical information on hospitals and its relevance to contemporary public policy debate on hospital service delivery. We look forward to continuing to work with data users and data providers to further improve the timeliness, quality and usefulness of the national data collections and on further enhancing the presentation of information in our *Australian hospital statistics* products and on the *MyHospitals* website.

Barry Sandison

Director

July 2016

Contents

Acknowledgments

This report would not have been possible without the valued cooperation and efforts of the data providers—the state and territory health authorities and individual public hospitals. The Australian Institute of Health and Welfare (AIHW) thanks them for their timely supply of data, assistance with data validation and the preparation of this report.

The AIHW would also like to thank the Australian Bureau of Statistics and the Australian Commission on Safety and Quality in Health Care for their contributions of data included in this report.

The AIHW's Australian Hospital Statistics Advisory Committee has been of great assistance to this project. Committee members are:

- Jenny Hargreaves (AIHW) (Chair)
- Tomi Adejoro (South Australian Department for Health and Ageing)
- Andrew Bailey (Australian Capital Territory Health Directorate)
- Sue Cornes (Queensland Department of Health)
- James Downie (Independent Hospital Pricing Authority)
- Troy Delbridge (Private Healthcare Australia)
- James Eynstone-Hinkins (Australian Bureau of Statistics)
- Peter Mansfield (Tasmanian Department of Health and Human Services)
- Julie Mitchell (Northern Territory Department of Health)
- Lisa Murphy (Australian Commission on Safety and Quality in Health Care)
- George Neale (Australian Private Hospitals Association)
- Lynda Ross (Victorian Department of Health and Human Services)
- Elisabeth Sallur (Western Australian Department of Health)
- Cheryl Titheridge (Department of Veterans' Affairs)
- Linc Thurecht (Australian Healthcare and Hospitals Association)
- Allan Went (New South Wales Ministry of Health)
- Kerryn Wilde (Australian Government Department of Health).

Within the AIHW, the report was prepared by Katrina Burgess and Caleb Leung. Data compilation and validation were undertaken by Kelly Cheng and Brett Henderson. The contributions of Jenny Hargreaves, Liz Clout and George Bodilsen are gratefully acknowledged.

Abbreviations

ABS	Australian Bureau of Statistics
ACSQHC	Australian Commission on Safety and Quality in Health Care
ACT	Australian Capital Territory
AIHW	Australian Institute of Health and Welfare
AR-DRG	Australian Refined Diagnosis Related Group
DSS	Data set specification
FTE	full-time equivalent
HED	Health Expenditure Database
ICD-10-AM	International statistical classification of diseases and related health problems, 10th revision, Australian modification
LHN	Local hospital network
MDC	Major Diagnostic Category
METeOR	Metadata Online Registry
NESWTDC	National Elective Surgery Waiting Times Data Collection
NHDD	National health data dictionary
NHMD	National Hospital Morbidity Database
NHRA	National Health Reform Agreement
NMDS	National minimum data set
NNAPEDCD	National Non-admitted Patient Emergency Care Database
NNAPC(agg)D	National Non-admitted Patient Care Database
NPHED	National Public Hospital Establishments Database
NSQHS	National Safety and Quality Health Service
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Co-operation and Development
PHE	Public hospital establishment
PHEC	Private Health Establishments Collection
Qld	Queensland
SA	South Australia
SRG	Service Related Group
Tas	Tasmania
Vic	Victoria
WA	Western Australia

Symbols

. .	not applicable
n.a.	not available
n.e.c	not elsewhere classified
n.p.	not published

Summary

In 2014–15, there were 1,322 hospitals in Australia. The 698 public hospitals accounted for 66% of hospital beds (60,300) and the 624 private hospitals accounted for 34% (31,800).

How diverse were public hospitals?

In 2014–15, the 698 public hospitals were very diverse in size and the type of services they provided. They ranged from the 30 *Principal referral* hospitals to the 8 *Outpatient* hospitals, 8 *Early parenting centres* and 20 *Psychiatric* hospitals. All states and territories had at least one *Principal referral* hospital and at least one *Public acute group A* hospital. *Specialist women's and children's* hospitals were located in New South Wales, Victoria, Queensland, Western Australia and South Australia, as were the specialist *Psychiatric* hospitals.

In 2014–15, there were 138 local hospital networks. Many networks consisted of a single public hospital (particularly in Victoria, and these were included in the counts of hospitals), and others consisted of a *Principal referral* or *Public acute group A* hospital and a number of smaller and/or specialised hospitals.

What specialised service units were provided by public hospitals?

Public hospitals provide a range of specialised units that deliver specific types of services for admitted and non-admitted patients.

In 2014–15, domiciliary care (home-based care, provided by 390 hospitals) was the most common specialised service provided by public hospitals, followed by nursing home care (285 hospitals). There were 81 intensive care units (level III), and 27 neonatal intensive care units (level III).

How much did hospitals spend?

In 2014–15, recurrent expenditure on public hospital services by hospitals, local hospital networks and state and territory health authorities was about $57 billion (including depreciation, and excluding non-hospital expenditure for Queensland). About 57% of recurrent expenditure was for admitted patient care, 17% for outpatient care, 10% for emergency care services and about 2% for teaching, training and research.

Recurrent expenditure for private hospitals was more than $12 billion in 2014–15.

How were hospitals funded?

In 2013–14, public hospitals were mainly funded by the Australian (37%) and state or territory (54%) governments, with about 9%of funding coming from non-government sources. In contrast, about 66% of private hospital funding came from non-government sources.

Between 2009–10 and 2013–14, funding for public hospitals rose by 4.2% on average each year (after adjusting for inflation), from about $39 billion to $46 billion. Funding for private hospitals rose by 5.0% on average each year, from about $11 billion to $13 billion. Comprehensive funding information for 2014–15 is not yet available.

How many people were employed in public and private hospitals?

Nationally, public hospitals employed about 302,000 full-time equivalent staff in 2014–15. *Nurses* accounted for 46% (138,000) of public hospital staff, while *Salaried medical officers* represented about 13% (39,000) of the public hospital labour force.

There were 64,400 staff in private hospitals in 2014–15. *Nurses* accounted for about 56% of them.

1 Introduction

Hospital resources 2014–15: Australian hospital statistics presents information about public and private hospitals in Australia. It continues the Australian Institute of Health and Welfare's (AIHW) series of *Australian hospital statistics* reports describing the characteristics and activity of Australia's hospitals.

The report presents an overview of public hospitals in 2014–15, covering the number and types of hospitals and availability of beds. It also describes public hospitals in terms of expenditure, the number of full-time equivalent staff employed and the types of specialised services provided. The report also presents selected information for private hospitals for the same period.

The AIHW has previously published hospital resources information as part of comprehensive reports on Australia's hospitals for 1993–94 to 2012–13 (AIHW 2014 and earlier), and as a stand-alone report on hospital resources for 2013–14 (AIHW 2015e).

Information on other aspects of Australia's hospitals for 2014–15 has been published in *Admitted patient care 2014–15: Australian hospital statistics* (AIHW 2016a), *Elective surgery waiting times 2014–15: Australian hospital statistics* (AIHW 2015b), *Emergency department care 2014–15: Australian hospital statistics* (AIHW 2015c), and Staphylococcus aureus *bacteraemia in Australian public hospitals 2014–15: Australian hospital statistics* (AIHW 2015h).

This report is accompanied by the release of *Non-admitted patient care 2014–15: Australian hospital statistics* (AIHW 2016c) and a shorter companion report—*Australia's hospitals 2014–15: at a glance* (AIHW 2016b)—that presents key findings from the *Australian hospital statistics* reports in an accessible format.

The AIHW also reports information on hospital funding and expenditure in its *Health expenditure Australia* series (AIHW 2015d and earlier), and hospital level performance information on the *MyHospitals* website.

What's in this report?

Structure of this report

This introduction addresses questions about the data sources for this report, including:

- What data are reported?—outlining the source of information.
- What are the limitations of the data?—providing caveats that should be considered when interpreting the data presented.
- What methods were used?—outlining issues such as inclusions and exclusions of establishments and calculation methods, with references to more detailed information in the technical appendix (Appendix B).

Chapters 2 to 5 contain short, self-contained sections on specific topics within the broad chapter topic. The data presented include, where possible:

- How have resources changed over time?
- How many resources were there in 2014–15?
- Where do I go for more information?

The broad topics addressed in chapter 2 to 5 are:

- Chapter 2—How many hospitals are there in Australia?—presents information on the overall numbers of hospitals and available beds, for both public and private hospitals.
- Chapter 3—How diverse were public hospitals?—presents information on the different types of public hospitals and the range of specialised service units provided by public hospitals.
- Chapter 4—Who funded hospitals and how much did hospitals spend?—presents information on funding and expenditure, for both public and private hospitals.
- Chapter 5—How many people were employed in providing hospital services?—presents information on the numbers and types of hospital staff who worked in public and private hospitals.

Appendix A provides summary information on the National Public Hospital Establishments Database (NPHED)—the source of public hospital data used in this report. It includes issues affecting the quality and comparability of the data. It also presents information about the data first reported for the NPHED for 2014–15 under the Local Hospital Network Data Set Specification (LHN DSS).

Appendix B includes notes on definitions, the presentation of data, the population estimates used to calculate population rates, and analysis methods.

Appendix C presents information on the public hospital peer group classification used in this report.

Appendix D presents information on episodes of admitted patient care using the Service Related Group classification.

Terms relevant to hospital resources data are summarised in Box 1.1. The Glossary provides definitions for many of the common terms used in this report.

Box 1.1: Summary of terms relating to hospital resources

Statistics on public hospital services are based on data provided for individual public acute and psychiatric hospitals (including hospitals operated for or by the Department of Veterans' Affairs, and alcohol and drug treatment centres), for local hospital networks and for state/territory health authorities.

Data for private hospitals and private free-standing day hospital facilities are collected by the Australian Bureau of Statistics (ABS) in the Private Health Establishments Collection.

Public and private hospital bed numbers presented in this report are based on different definitions. Public hospital bed numbers are for average available beds—the average number of beds immediately available for use (with staffing). Private hospital bed numbers represent the number of licenced or registered beds. See Chapter 2 for more information.

Local hospital networks

Local hospital networks are defined as those entities recognised as such by the relevant state or territory health authority. They directly manage single or small groups of public hospital services and their budgets, and are directly responsible for hospital performance (METeOR identifier 491016).

(continued)

Box 1.1 (continued): Summary of terms relating to hospital resources

Public hospital peer groups

Public hospital peer groups categorise hospitals into broadly similar groups in terms of characteristics (see Chapter 3 and Appendix C for more information and AIHW 2015h).

Specialised service unit

A specialised service unit is a facility or unit dedicated to the treatment or care of patients with particular conditions or characteristics, such as an intensive care unit.

Service related group

The Service Related Group classification is based on Australian Refined Diagnosis Related Group (AR-DRG) aggregations to categorise admitted patient episodes into groups representing clinical divisions of hospital activity (see Appendix D).

Hospital expenditure

Recurrent expenditure presented in this report reflects recurrent expenditure on public hospital services incurred by individual hospitals, by LHNs and by state and territory health authorities (see Box 4.1).

Full-time equivalent staff

Full-time equivalent staff are calculated using the on-the-job hours paid for (including overtime) and hours of paid leave of any type for a staff member (or contract employee) divided by the number of ordinary time hours normally paid for a full-time staff member when on-the-job under the relevant award or agreement for the staff member (or contract employee occupation, where applicable).

Hospital funding

Funding presented in this report is the money provided for the overall public and private hospital systems within each jurisdiction and nationally (see Box 4.1)

See Appendix B and the Glossary for more information and more terms relating to hospital resources.

What data are reported?

This section presents information on the data sources used in this report.

National Public Hospital Establishments Database

This report draws mainly on data from the NPHED to present an overview of Australia's public hospitals. For 2014–15, the NPHED is based on data provided by state and territory health authorities for the Public hospital establishments National Minimum Data Set (PHE NMDS) and the LHN DSS.

The AIHW has undertaken the collection and reporting of the data in this report under the auspices of the Australian Health Ministers' Advisory Council, through the National Health Information Agreement.

More information about the NPHED is in Appendix A, and in the Data Quality Statement accompanying this report, which is available at <www.aihw.gov.au>.

Public hospital establishments National Minimum Data Set

The PHE NMDS is defined in the *National health data dictionary*, versions 16, 16.1 and 16.2 (AIHW 2012, 2015f, 2015g) and in the AIHW's Metadata Online Registry (METeOR) (METeOR identifier 540101).

The scope of the PHE NMDS is establishment-level data for public acute and psychiatric hospitals, and alcohol and drug treatment centres.

Information based on the PHE NMDS has been reported in the *Australian hospital statistics* reports since the first report on the 1993–94 and 1994–95 collection periods.

Between 2013–14 and 2014–15, several changes were implemented in the PHE NMDS, which affect the comparability of these data over time. See Box 1.2 for more information.

Local Hospital Network Data Set Specification

The LHN DSS is defined in the *National health data dictionary*, versions 16.1 and 16.2 (AIHW 2015f, 2015g) and in the AIHW's METeOR (METeOR identifier 555334).

The scope of the LHN DSS is:

- local hospital networks (LHNs)
- all public hospital services that are managed by a state or territory health authority and are included in the General list of In-scope Public Hospital Services, which has been developed under the National Health Reform Agreement (2011).

Excluded from the DSS scope are establishments (that is, individual hospitals) that are reported to the PHE NMDS.

The LHN DSS allows the collection of recurrent expenditure, revenue, admitted contracted care and staffing information whether delivered and/or managed by hospitals or other administrative units (LHNs and state/territory health authorities) using the same specifications as defined for the PHE NMDS. Revenue information is not presented in this report as the information did not appear to be comparable among jurisdictions.

The LHN DSS also includes data elements to allow the reporting of capital expenditure. Capital expenditure information is not presented in this report as it was not reported by all states and territories, and the information did not appear to be comparable among them.

Information about the quality of the data provided for the LHN DSS is in Appendix A.

Data reported for the public hospital administrative levels

As noted above, the collection of data for the LHN DSS (at LHN level or at state/territory health authority level), in conjunction with the data provided for the PHE NMDS (at the individual hospital level) and with the principle that data are reported at the lowest level possible and are not duplicated across the PHE NMDS and the LHN DSS, allows data to be reported by states and territories at the level relevant to service management and/or provision.

In sections of this report that present public hospital information on recurrent expenditure and full-time equivalent (FTE) staff, detailed information is presented for the total for hospitals, LHNs and state and territory health authorities combined. Summary data are also presented for the three administrative levels:

- *Public hospitals*—presents information that was reported for individual public hospitals.

- *Local hospital network*—presents information that was reported at the LHN level.
- *state/territory health authority*—presents information that was reported at the state/territory health authority level.

For 2014–15, there was variation among states and territories in the administrative levels at which recurrent expenditure and staffing information were reported:

- New South Wales reported recurrent expenditure and staffing information for all 3 administrative levels.
- Victoria reported recurrent expenditure and staffing information at the LHN level, and none at the public hospital level. Victoria previously reported recurrent expenditure and staffing information at the network level for hospitals within networks that consisted of more than one hospital, and at the hospital level for LHNs that consisted of individual hospitals. LHN level reporting in Victoria is therefore likely to be equivalent to the combination of hospital level and LHN level reporting for other jurisdictions. Victoria also reported recurrent expenditure at the state health authority level.
- Queensland reported recurrent expenditure and staffing at the hospital level. Information on staffing and expenditure at the LHN level and state health authority level were not reported.
- Western Australia reported recurrent expenditure and staffing information for all 3 administrative levels.
- South Australia recurrent expenditure and staffing information reported at the hospital and state health authority levels include recurrent expenditure and staffing information for to the LHN level.
- Tasmania reported recurrent expenditure and staffing information at the hospital level and at LHN level. Information reported at the hospital and LHN levels include recurrent expenditure and staffing information attributable to the state health authority.
- The Australian Capital Territory reported all recurrent expenditure and staffing information at the hospital level. Information on staffing and expenditure attributable to the LHN level and territory health authority level were included in the data provided at the hospital level.
- The Northern Territory reported all recurrent expenditure and staffing information at the hospital level. Information on staffing and expenditure attributable to the LHN level and territory health authority level were included in the data provided at the hospital level.

Table 1.1 summarises the comparability of the data provided for recurrent expenditure and staffing, by administrative level for each state and territory. For example, the data are comparable for:

- New South Wales, Queensland and Western Australia at the hospital level
- New South Wales and Western Australia—at the LHN level
- New South Wales, Victoria, Western Australia and South Australia—at the combined hospital and LHN levels
- New South Wales, Victoria, Western Australia and South Australia—at the state/territory health authority level
- New South Wales, Victoria, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory—for the total of all 3 levels.

Table 1.1: Comparability of recurrent expenditure and staffing information by administrative level, states and territories, 2014–15

What is included in the data reported at each administrative level?	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Hospitals	Hospitals[(a)]	Nil	Hospitals	Hospitals[(a)]	Hospitals and LHNs[(a)]	Hospital and state	Hospitals, LHNs and territory	Hospitals, LHNs and territory
LHN	LHN[(a)]	Hospitals and LHNs[(a)]	Nil	LHN[(a)]	Nil	LHN and state	Nil	Nil
State	State	State	Nil	State	State	Nil	Nil	Nil
Total	**Total for the 3 levels**	**Total for the 3 levels**	**Hospitals only**	**Total for the 3 levels**	**Total for the 3 levels**	**Total for the 3 levels**	**Total for the 3 levels**	**Total for the 3 levels**

(a) Data are comparable at the combined hospital and LHN levels.

Note: Shaded cells indicate that the data are comparable for the states/territories at that administrative level.

Source: NPHED.

Private hospital information

Information on private hospitals, including beds, expenditure and staffing was sourced from *Private Hospitals Australia 2014–15* (ABS 2016), which is based on the Australian Bureau of Statistics' (ABS's) Private Health Establishments Collection (PHEC). Caution should be used in comparing the data for private hospitals and public hospitals as the data definitions used between these collections differ.

Hospital funding information

In this report, data presented on the funding of hospitals are sourced from the AIHW's Health Expenditure Database (HED) (AIHW 2015d).

Financial data reported from the HED are not directly comparable with data reported from the NPHED. Hospital expenditure reported for the purpose of the HED collection may cover activity that is not covered by the NPHED. The HED financial data include trust fund expenditure, whereas the NPHED does not. Data from the HED are not yet available for 2014–15.

What are the limitations of the data?

States and territories are primarily responsible for the quality of the data they provide. However, the AIHW undertakes extensive validations on receipt of data, checking for valid values, logical consistency and historical consistency. Where possible, data in individual data sets are checked with data from other data sets. Potential errors are queried with the state/territory health authorities, and corrections and resubmissions may be made in response to these queries. Except as noted, the AIHW does not adjust data to account for possible data errors or missing or incorrect values.

Where possible, variations in reporting have been noted in the text. Comparisons between states and territories and reporting years should be made with reference to the accompanying notes in the chapters and in the appendixes. The AIHW takes active steps to improve the consistency of these data over time. Data limitations are summarised in Box 1.2.

What methods are used?

This section gives a brief description of methods. See Appendix B for more information.

Hospitals are generally counted as they were reported to the NPHED. These entities are usually 'physical hospitals' (buildings or campuses) but may encompass some outpost locations such as dialysis units. Conversely, hospitals on a single 'campus' can be reported as separate entities if, for example, they are managed separately and have separate purposes, such as specialist women's services and specialist children's services.

Types of hospitals

In some sections of this report, hospitals have been combined into hospital sectors, where:

- *Public hospitals* include *Public acute* and *Public psychiatric hospitals*
- *Private hospitals* include *Private free-standing day hospital facilities* and *Other private hospitals* (those that do not specialise in same-day care, which include private psychiatric hospitals).

Public hospitals are also presented using the AIHW's hospital peer group classification (AIHW 2015a).

Changes over time

Time series data in this report show average annual changes from 2010–11 to 2014–15, and annual change between 2013–14 and 2014–15, unless otherwise stated. Annual change rates are not adjusted for any changes in data coverage, changes in metadata and/or recategorisation of the hospital as public or private, except where noted in the text.

Box 1.2: Limitations of the data

Variation in data on hospital resources

Although there are national standards for data on hospital resources, there are some variations in how hospital resources are defined and counted, between public and private hospitals, among the states and territories, and over time.

Changes over time

The comparability of data on hospital resources over time is affected by changes in the coverage of the NPHED, and in administrative and reporting arrangements.

Changes in the specification of the PHE NMDS between 2013–14 and 2014–15, and the implementation of the LHN DSS from 2014–15 included the addition of information on:

- recurrent expenditure on different types of care (National Health Reform Agreement product streams), such as admitted patient care, non-admitted patient care, emergency care services and teaching, training and research
- hospital accreditation against the National Safety and Quality Health Service Standards
- the type of salaried medical officers—whether a *Specialised salaried medical officer* or *Other salaried medical officer*—for both full-time equivalent staffing and recurrent salaried and wages expenditure
- the non-salary recurrent expenditure categories for *Administrative expenses*, *Depreciation, Lease costs* and *Other on-costs*
- recurrent expenditure on contracted care (not presented in this report due to apparent non-comparability across jurisdictions)
- available beds for contracted care (not presented in this report due to apparent non-comparability across jurisdictions)
- sources of funding (revenue), including appropriation from government sources (not presented in this report due to apparent non-comparability across jurisdictions)
- capital expenditure (not presented in this report due to apparent non-comparability across jurisdictions).

Information presented in this report for 2014–15 for full time equivalent (FTE) staff and recurrent expenditure is based on data provided for both the PHE NMDS and the LHN DSS. Before 2014–15, the information reported for FTE staff and recurrent expenditure did not include FTE staff employed outside of public hospitals or for expenditure attributed to the LHNs or at the state/territory health authority level. See above and Table 1.1 for more information.

See appendixes A and B for more information.

Where to go for more information

This report is available on the AIHW website at <www.aihw.gov.au/hospitals> in PDF format and all tables are available as downloadable Excel spread sheets.

The website also includes additional information in Excel spread sheets on hospitals and LHNs included in the AIHW hospitals databases and Service Related Groups for admitted patients.

Updates

Online tables will be updated if corrections are required after publication, or if states and territories resupply data after its release.

2 How many hospitals are there in Australia?

This chapter presents an overview of public and private hospitals in 2014–15, covering the overall numbers of hospitals, available beds, and changes over time.

Information on public hospitals was sourced from the NPHED (see Appendix A) and information on private hospitals from the ABS's Private Health Establishments Collection (PHEC) (*Private hospitals Australia 2014–15*, ABS 2016). Caution should be used in comparing the data for public hospitals and private hospitals as there are differences in the data definitions used between the NPHED and the PHEC (see Box 1.1).

The information in this chapter includes:

- the number of Australian public hospitals and average available beds
- the number of Australian private hospitals and licensed beds or chairs
- an international comparison—against the OECD average for the number of hospital beds per 1,000 population, by state and territory for 2014–15
- the number of public and private hospitals accredited against the National Safety and Quality Health Service (NSQHS) Standards
- the number of local hospital networks in Australia in 2014–15.

Key findings

How many hospitals were there?

In 2014–15, there were 1,322 hospitals in Australia, of which 698 were public hospitals and 624 were private hospitals.

Between 2013–14 and 2014–15, the number of public hospitals decreased from 747 to 698, mostly due to the reclassification of 46 very small hospitals in Queensland as non-hospital facilities.

How many hospital beds?

In 2014–15, public hospitals accounted for about 66% of hospital beds (60,300), and private hospitals accounted for about 34% of beds (31,800).

Between 2010–11 and 2014–15, the number of public hospital beds rose by an average of 1.1% each year. While the number of public hospital beds per 1,000 population decreased over this period by an average of 0.5% each year, it increased by 1.4% between 2013–14 and 2014–15.

Between 2010–11 and 2014–15, the number of private hospital beds rose by an average of 2.9% each year. For private hospitals that did not specialise in same-day care, the number of private hospital beds rose by an average of 3.1% each year.

How many local hospital networks were there in 2014–15?

In 2014–15, there were 138 local hospital networks. Many networks consisted of a single public hospital (particularly in Victoria), and others consisted of a *Principal referral* or *Public acute group A* hospital and a number of smaller and/or specialised hospitals.

2.1 How many hospitals were there?

This section presents summary information on the changes in the numbers of public and private hospitals in Australia over time, as well as more detailed information on the numbers of public and private hospitals in 2014–15.

Changes over time

In 2014–15, there were 698 public hospitals, compared with 752 in 2010–11 (Table 2.1). Much of this decrease was due to either the amalgamation or reclassification of establishments (see Box 2.1).

Box 2.1: What has caused changes in the numbers of hospitals?

The number of hospitals reported can be affected by jurisdictional variations in administrative and/or reporting arrangements and is not necessarily a measure of the number of physical hospital buildings or campuses (see Appendix B).

Changes in the numbers of hospitals over time can reflect the opening of new hospitals, the closure of hospitals, the reclassification of hospitals as non-hospital facilities (or vice-versa) and the amalgamation of existing hospitals.

Between 2011–12 and 2012–13, the apparent decrease in the number of public hospitals for Western Australia was mainly due to the amalgamation of 5 small public hospitals within parent campuses.

Between 2011–12 and 2012–13, 2 small outpatient hospitals in Victoria closed.

Since 2012–13, the Robina Hospital in Queensland has been reported as a separate facility, whereas it had previously been combined with the Gold Coast Hospital.

Between 2012–13 and 2013–14, one establishment that was classified by New South Wales until 2012–13 as a *Public acute hospital* was reclassified as a *Public psychiatric hospital*, resulting in an apparent decrease in *Public acute hospitals* and an increase in *Public psychiatric hospitals*.

For 2013–14, the Gold Coast Hospital closed in September 2013, and the Gold Coast University Hospital subsequently opened.

The Lady Cilento Children's Hospital opened in November 2014 and the Mater Children's Hospital and the Royal Children's Hospital subsequently closed. For the purposes of this report, the data for all 3 hospitals have been combined for 2014–15

Between 2013–14 and 2014–15, 46 establishments in Queensland and 3 establishments in South Australia that were previously classified as hospitals were reclassified as non-hospital facilities, accounting for most of the resulting decrease in the national number of public hospitals. In addition, the Mater Children's Hospital and Royal Children's Hospital closed (both in Queensland), and a hospice in New South Wales and an aged care/rehabilitation facility in Victoria ceased reporting as separate campuses to the NPHED.

For 2014–15, the Lady Cilento Children's Hospital (Queensland), the Fiona Stanley Hospital (Western Australia) and the Ursula Frayne Centre (Victoria) opened, and Rankin Park Hospital (New South Wales) commenced reporting as a separate campus.

Between 2010–11 and 2014–15, the number of private hospitals rose from 593 to 624, or an average increase of 1.3% per year. Counts of private hospitals can also vary, depending on the source of the information. Therefore, there may be discrepancies between counts of

private hospitals from the ABS's PHEC and the numbers of private hospitals contributing to the NHMD (reported in *Admitted patient care 2014–15: Australian hospital statistics*—AIHW 2016a). The states and territories provided the latter information, which may not correspond with the way in which private hospitals report to the ABS's PHEC.

Public hospitals

Between 2010–11 and 2014–15, the number of public hospitals was stable in most states and territories, except for in Queensland where the number of public hospitals decreased between 2013–14 and 2014–15, as noted in Box 2.1 (Table 2.2).

Table 2.1: Public[(a)] and private hospitals, 2010–11 to 2014–15

						Change (%)	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
Public hospitals							
Public acute hospitals	734	735	728	728	678	–2.0	–6.9
Public psychiatric hospitals	18	18	18	19	20	2.7	5.3
Total public hospitals	*752*	*753*	*746*	*747*	*698*	*–1.8*	*–6.6*
Private hospitals							
Private free-standing day hospital facilities	314	311	319	326	342	2.2	4.9
Other private hospitals	279	281	282	286	282	0.3	–1.4
Total private hospitals	*593*	*592*	*601*	*612*	*624*	*1.3*	*2.0*
Total	**1,345**	**1,345**	**1,347**	**1,359**	**1,322**	**–0.4**	**–2.7**

(a) Between 2010–11 and 2014–15, there were changes in the reporting of public hospitals for New South Wales, Queensland, Western Australia and South Australia that affect the counting of public hospitals. See Box 2.1 for more information.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Sources: Public hospital information was sourced from the NPHED and private hospital information was sourced from *Private hospitals Australia* reports (ABS 2012, 2013, 2014, 2015, 2016).

Table 2.2: Public hospitals, states and territories, 2010–11 to 2014–15

						Change (%)	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
New South Wales[(a)]	226	225	225	225	225	–0.1	0.0
Victoria[(b)]	151	151	150	151	151	0.0	0.0
Queensland[(a)]	170	170	170	169	122	–8.0	–27.8
Western Australia[(a)]	94	96	90	91	92	–0.5	1.1
South Australia[(a)]	80	80	80	80	77	–1.0	–3.8
Tasmania	23	23	23	23	23	0.0	0.0
Australian Capital Territory	3	3	3	3	3	0.0	0.0
Northern Territory	5	5	5	5	5	0.0	0.0
Total public hospitals	**752**	**753**	**746**	**747**	**698**	**–1.8**	**–6.6**

(a) Between 2010–11 and 2014–15, there were changes in the reporting of public hospitals for New South Wales, Queensland, Western Australia and South Australia that affect the counting of public hospitals. See Box 2.1 for more information.

(b) The number of public hospitals in Victoria is reported as a count of the campuses that reported data separately to the National Hospital Morbidity Database (NHMD) in 2014–15. The Victorian forensic public psychiatric hospitals are counted as 1 hospital for the purpose of this report.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

Private hospitals

In 2014–15, there were 624 private hospitals, compared with 593 in 2010–11. Hospitals in New South Wales accounted for the majority of this increase (Table 2.3).

Table 2.3: Private hospitals, states and territories, 2010–11 to 2014–15

						Change (%)	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
New South Wales	183	185	192	193	203	2.6	10.9
Victoria[(a)]	167	164	165	165	167	0.0	0.0
Queensland	107	107	106	108	109	0.5	1.9
Western Australia	56	57	57	62	60	1.7	7.1
South Australia	56	54	55	55	55	–0.4	–1.8
Tasmania, Australian Capital Territory and Northern Territory[(b)]	24	25	26	29	30	5.7	25.0
Total	**593**	**592**	**601**	**612**	**624**	**1.3**	**5.2**

(a) The classification of private hospital facilities reported by the ABS differs to the type of registered facility recorded by the Victorian Department of Health and Human Services.

(b) Tasmania, the Australian Capital Territory and the Northern Territory data were combined by the ABS to protect the confidentiality of the small number of hospitals in these jurisdictions.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Sources: ABS 2012, 2013, 2014, 2015, 2016.

How many hospitals were there in 2014–15?

Table 2.4 presents the number of public and private hospitals for 2014–15, by state and territory. The largest 3 states accounted for almost 74% (964) of all reported hospitals.

There were:

- 678 *Public acute* hospitals
- 20 *Public psychiatric* hospitals
- 342 *Private free-standing day hospital facilities*
- 282 *Other private hospitals* (that did not specialise in same-day care).

Where were public hospitals located?

The greatest number of public hospitals was reported for *Outer regional* areas (217, or 31%), while about 26% of public hospitals (178) were located in *Major cities* (Table 2.5).

Table 2.4: Public and private hospitals, states and territories, 2014–15

	NSW	Vic[(a)(b)]	Qld[(c)]	WA	SA	Tas	ACT	NT	Total
Public hospitals									
Public acute hospitals	217	149	118	89	75	22	3	5	678
Public psychiatric hospitals	8	2	4	3	2	1	0	0	20
Private hospitals									
Private free-standing day hospital facilities	112	88	54	40	28	n.a.	n.a.	n.a.	342
Other private hospitals	91	79	55	20	27	n.a.	n.a.	n.a.	282
Total	**428**	**318**	**231**	**152**	**132**	**n.a.**	**n.a.**	**n.a.**	**1,322**

(a) The number of public hospitals in Victoria is reported as a count of the campuses that reported data separately to the NHMD in 2014–15. The Victorian forensic public psychiatric hospitals are counted as 1 hospital for the purpose of this report. This differs from the number of hospitals reported to the NPHED, for which the Victorian forensic public psychiatric hospital campuses are counted separately.

(b) The classification of private hospital facilities reported by the ABS differs to the type of registered facility recorded by the Victorian Department of Health and Human Services.

(c) The Lady Cilento Children's Hospital opened in November 2014 and the Mater Children's Hospital and the Royal Children's Hospital subsequently closed. For the purposes of this report, the data for all 3 hospitals have been combined for 2014–15.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Sources: Public hospital information was sourced from the NPHED and private hospital information was sourced from ABS 2016.

Table 2.5: Number of public hospitals by remoteness area[(a)], states and territories, 2014–15

	NSW	Vic[(b)]	Qld	WA	SA	Tas	ACT	NT	Total
Major cities	68	53	19	20	15	. .	3	. .	178
Total regional	*139*	*96*	*70*	*37*	*44*	*19*	. .	*1*	*406*
Inner regional	75	58	25	12	14	5	. .	. .	189
Outer regional	64	38	45	25	30	14	. .	1	217
Total remote	*18*	*2*	*33*	*35*	*18*	*4*	. .	*4*	*114*
Remote	10	2	12	21	12	2	. .	2	61
Very remote	8	. .	21	14	6	2	. .	2	53
Total all remoteness areas	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**

(a) The remoteness area of hospitals was based on the ABS 2011 Australian Statistical Geography Standard remoteness area classification.

(b) The number of public hospitals in Victoria is reported as a count of the campuses that reported data separately to the NHMD in 2014–15. The Victorian forensic public psychiatric hospitals are counted as 1 hospital for the purpose of this report.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

Where to go for more information

More information on hospitals is available in:

- Chapter 3 'How diverse were hospitals?'
- Chapter 4 'Who funded hospitals and how much did hospitals spend?'
- Chapter 5 'How many people were employed in providing hospital services?'
- the Australian Bureau of Statistics' report *Private hospitals Australia 2014–15* at <www.abs.gov.au/ausstats/abs@.nsf/mf/4390.0>.

Information on data limitations and methods is available in appendixes A and B.

2.2 How many accredited hospitals were there?

This section presents information on hospital accreditation. Hospital accreditation is a National Health Performance Framework performance indicator related to effectiveness. *Effectiveness* is defined as:

> 'Care/intervention/action provided is relevant to the client's needs and based on established standards. Care, intervention or action achieves desired outcome.'

The information in this section includes the number of public and private hospitals accredited against the National Safety and Quality Health Service (NSQHS) Standards (ACSQHC 2013), based on data supplied by the Australian Commission on Safety and Quality in Health Care (ACSQHC).

The National Safety and Quality Health Service Standards

From January 2013, public and private hospital accreditation has included assessment against the NSQHS Standards.

The NSQHS Standards were developed by the ACSQHC—to drive the implementation of safety and quality systems and improve the quality of health care in Australia. The 10 NSQHS Standards provide a nationally consistent statement about the level of care consumers can expect from health service organisations:

- Standard 1—Governance for safety and quality in health service organisations
- Standard 2—Partnering with consumers
- Standard 3—Preventing and controlling healthcare associated infections
- Standard 4—Medication safety
- Standard 5—Patient identification and procedure matching
- Standard 6—Clinical handover
- Standard 7—Blood and blood products
- Standard 8—Preventing and managing pressure injuries
- Standard 9—Recognising and responding to clinical deterioration in acute health care
- Standard 10—Preventing falls and harm from falls.

The ACSQHC is responsible for granting approval to accrediting agencies who wish to accredit health services against the NSQHS Standards.

While the NSQHS Standards started from January 2013, the proportion of hospitals that have been assessed to date varies between states and territories, as not all hospitals were due to be assessed by 30 June 2015 as part of the routine 3 to 4 year cycle.

Some hospitals may have had their accreditation lapse just before the end of the financial year, and may have been in the process of undergoing assessment for re accreditation. Therefore, this information should be interpreted with caution.

How many public hospitals were reported as accredited against the NSQHS Standards?

As at 30 June 2015, about 93% of public hospitals had been assessed either against the NSQHS Standards 1 to 3, or against all NSQHS Standards (1 to 10) (Table 2.6).

A total of 647 public hospitals were accredited against either the NSQHS Standards 1 to 3, or all NSQHS Standards (1 to 10). There were 237 public hospitals (34%) accredited against NSQHS Standards 1 to 3 and 410 public hospitals (59%) accredited against NSQHS Standards 1 to 10. As at 30 June 2015, 51 public hospitals (7%) had not been assessed (ACSQHC 2016).

In 2014–15, for the first time, the accreditation of public hospitals against the NSQHS Standards was reported to the NPHED. However, the accreditation data provided for the NPHED were inconsistent with the data provided by the ACSQHC, and were also inconsistent between jurisdictions, meaning the data were not suitable for comparative purposes. See Appendix E for more information on the reporting of accreditation to the NPHED.

How many private hospitals were accredited against the NSQHS Standards?

As at 30 June 2015, about 89% (279) of *Private free-standing day hospital facilities* and 95% (283) of *Other private hospitals* had been assessed either against the NSQHS Standards 1 to 3, or against all NSQHS Standards (1 to 10) (Table 2.6).

There were 248 private hospitals accredited against NSQHS Standards 1 to 3 (including 129 *Private free-standing day hospital facilities* and 119 *Other private hospitals*) and 314 (including 150 *Private free-standing day hospital facilities* and 164 *Other private hospitals*) accredited against NSQHS Standards 1 to 10. As at 30 June 2015, 50 private hospitals had not been assessed.

Where to go for more information

More information on public hospital accreditation is available in Appendix E.

More information on the NSQHS Standards and accreditation is available from the ACSQHC web site <http://www.safetyandquality.gov.au>.

More information on the safety and quality of admitted patient care was reported in *Admitted patient care 2014–15: Australian hospital statistics* (AIHW 2016a).

Table 2.6: Hospital accreditation, public[a] and private[b] hospitals, states and territories, as at 30 June 2015

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Public hospitals									
Number of hospitals[a]	225	151	122	92	77	23	3	5	698
Accredited against NSQHSS standards 1 to 3[b]	58	48	22	70	34	5	0	0	237
Accredited against NSQHSS standards 1 to 10[b]	163	89	94	16	31	9	3	5	410
Public hospitals—total NSQHSS accredited	*221*	*137*	*116*	*86*	*65*	*14*	*3*	*5*	*647*
Not assessed as at 30 June 2015[b]	4	14	6	6	12	9	0	0	51
Proportion assessed at 30 June 2015[b] (%)	98	91	95	94	84	61	100	100	93
Private free-standing day facilities[c]									
Number of hospitals[b]	100	87	53	27	29	n.p.	n.p.	n.p.	313
Accredited against NSQHSS standards 1 to 3[b]	35	38	24	14	10	n.p.	n.p.	n.p.	129
Accredited against NSQHSS standards 1 to 10[b]	54	34	23	12	17	n.p.	n.p.	n.p.	150
Private free-standing day hospital facilities—total NSQHSS accredited	*89*	*72*	*47*	*26*	*27*	*n.p.*	*n.p.*	*n.p.*	*279*
Not assessed as at 30 June 2015[b]	11	15	6	1	2	n.p.	n.p.	n.p.	34
Proportion assessed at 30 June 2015[b] (%)	89	83	89	96	93	n.p.	n.p.	n.p.	89
Other private hospitals[c]									
Number of hospitals[b]	96	81	57	22	27	n.p.	n.p.	n.p.	299
Accredited against NSQHSS standards 1 to 3[b]	40	25	28	8	13	n.p.	n.p.	n.p.	119
Accredited against NSQHSS standards 1 to 10[b]	54	49	25	13	14	n.p.	n.p.	n.p.	164
Other private hospitals—total NSQHSS accredited	*94*	*74*	*53*	*21*	*27*	*n.p.*	*n.p.*	*n.p.*	*283*
Not assessed as at 30 June 2015[b]	2	7	4	1	0	n.p.	n.p.	n.p.	16
Proportion assessed at 30 June 2015[b] (%)	98	91	93	96	100	n.p.	n.p.	n.p.	95

(continued)

Table 2.6 (continued): Hospital accreditation, public[a] and private[b] hospitals, states and territories, as at 30 June 2015

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
All hospitals									
Number of hospitals[a][b]	421	319	232	141	133	n.p.	n.p.	n.p.	1,310
Accredited against NSQHSS standards 1 to 3[b]	133	111	74	92	57	n.p.	n.p.	n.p.	485
Accredited against NSQHSS standards 1 to 10[b]	271	172	142	41	62	n.p.	n.p.	n.p.	724
All hospitals—NSQHSS accredited	*404*	*283*	*216*	*133*	*119*	*n.p.*	*n.p.*	*n.p.*	*1209*
Not assessed as at 30 June 2015[b]	17	36	16	8	14	n.p.	n.p.	n.p.	101
Proportion assessed at 30 June 2015[b] (%)	96	89	93	94	89	n.p.	n.p.	n.p.	92

NSQHSS—National Safety and Quality Health Service Standards.

(a) Information sourced from the NPHED. The number of public hospitals accredited to the NSQHSS was based on unpublished data supplied by the ACSQHC, the AIHW limited the data to only those public hospitals that were also reported to the NPHED

(b) Information sourced from the Australian Commission on Safety and Quality in Health Care (ACSQHC) National Safety and Quality Health Service (NSQHS) Standards (unpublished data).

(c) The number of private hospital facilities reported by the ACSQHC differs from number of private hospital facilities reported by the ABS, and included in tables 2.1, 2.3 and 2.4 in this report.

Note: See Appendix E for other information on public hospital accreditation reported for the NPHED.

Sources: NPHED and ACSQHC (unpublished data).

2.3 How many hospital beds were there?

This section presents information on the numbers of public and private hospital beds and beds per 1,000 population in Australia over time, as well as detailed information for public and private hospitals in 2014–15.

Differences in the measures of beds used between public and private hospitals should be considered when interpreting the information presented (see Box 2.2).

Differences in administrative practices and reporting should also be considered when interpreting changes over time (see Box 2.3).

Box 2.2: How are beds defined?

For public hospitals, average available beds include both occupied and unoccupied beds.

Average available beds for same-day patients are the number of beds, chairs or trolleys exclusively or predominantly available to provide accommodation for same-day patients, averaged over the counting period.

Average available beds for overnight-stay patients are the number of beds exclusively or predominantly available to provide overnight accommodation for patients (other than neonatal cots (non-special-care) and beds occupied by hospital-in-the-home patients), averaged over the counting period.

Average available beds for contracted care are the number of beds available to care for admitted patients that a public hospital, LHN, or state provides via contractual arrangements with private hospitals. However, due to concerns about the comparability of the data across jurisdictions, these data are not presented in this report.

For private hospitals, the numbers of beds reported are **licensed beds**—the maximum number of beds specified in the hospital's registration process. For private free-standing day hospital facilities, they include chairs, trolleys, recliners and cots.

For private hospitals, the counts are licensed beds and are not directly comparable to public hospital average available beds.

Changes over time

Between 2010–11 and 2014–15, public hospital bed numbers rose overall, by an average of 1.1% per year, from 57,800 to around 60,300 beds (Table 2.7).

Between 2010–11 and 2014–15, public hospital beds per 1,000 population decreased by an average of 0.5% per year.

Same-day beds/chairs accounted for about 11.4% of available public hospital beds in 2010–11, and this increased to about 12.5% of available public hospital beds in 2014–15.

Between 2010–11 and 2014–15, private hospital bed numbers rose by an average of 1.3% per year (from 28,400 to about 31,800) and the number of beds per 1,000 population increased by an average of 1.3% per year.

Table 2.7: Average available beds and beds per 1,000 population, public and private hospitals, 2010–11 to 2014–15

						Change (%)	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
Public hospitals							
Public acute hospitals	55,525	56,366	56,193	56,445	58,187	1.2	3.1
Same-day beds/chairs	6,566	7,022	7,195	7,308	7,551	3.6	3.3
Overnight beds	48,959	49,344	48,998	49,137	50,636	0.8	3.1
Public psychiatric hospitals	2,313	2,179	2,118	2,123	2,153	–1.8	1.4
Total	*57,838*	*58,545*	*58,311*	*58,567*	*60,340*	*1.1*	*3.0*
Beds per 1,000 population[(a)]	2.6	2.6	2.6	2.5	2.6	–0.5	1.4
Private hospitals							
Private free-standing day hospital facilities	2,957	2,973	2,938	2,977	3,095	1.1	4.0
Other private hospitals	25,394	26,031	26,889	27,943	28,679	3.1	2.6
Total	*28,351*	*29,004*	*29,827*	*30,920*	*31,774*	*2.9*	*2.8*
Beds per 1,000 population[(a)]	1.3	1.3	1.3	1.3	1.4	1.3	7.7
All hospitals							
Average available beds	**86,189**	**87,549**	**88,138**	**89,487**	**92,114**	**1.7**	**2.9**
Beds per 1,000 population[(a)]	**3.9**	**3.9**	**3.9**	**3.9**	**3.9**	**0.0**	**0.0**

(a) Rates of available beds per 1,000 population have been presented rounded to 1 decimal place. Average available beds per 1,000 population is reported as a crude rate based on the estimated resident population as at 30 June of the relevant year.

Note: See boxes 1.2 and 2.2 for notes on data limitations.

Sources: Public hospital information was sourced from the NPHED and private hospital information was sourced from *Private hospitals Australia* reports (ABS 2012, 2013, 2014, 2015, 2016).

Public hospitals

Between 2010–11 and 2014–15, the number of public hospital beds increased for all states and territories except South Australia (see Box 2.3) (Table 2.8).

Private hospitals

Between 2010–11 and 2014–15, the number of licensed beds in other private hospitals (those that do not specialise in same-day care) increased by an average of 3.1% per year (Table 2.9) and the number of licensed beds/chairs in private free-standing day hospital facilities increased by 1.1% each year (Table 2.7).

The number of licensed beds in other private hospitals per 1,000 population was relatively stable at around 1.2 beds per 1,000 between 2010–11 and 2014–15.

Information on changes in the numbers of licensed beds/chairs in private free-standing day hospital facilities by state and territory are not shown as this information is not published by the ABS for Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

Box 2.3: What are the limitations of the data on bed numbers?

The range and types of patients treated by a hospital (its casemix) can affect the comparability of bed numbers. For example, hospitals might have different proportions of beds available for special and more general purposes, for same-day care only or for overnight care.

The number of average available beds presented in this report may differ from the counts published elsewhere. For example, counts based on a specified date, such as 30 June, may differ from the average available beds for the reporting period.

For Victoria for 2010–11 to 2011–12, the numbers of available beds were adjusted since published in 2013–14 to correct reporting anomalies and to include Secure Extended Care Unit beds. These beds met the definition of an available bed but were incorrectly excluded from the submissions for some hospitals to the NPHED. Comparisons of bed numbers published in *Australian hospital statistics* reports before 2013–14 are not valid for Victoria.

In 2012–13, a large number of South Australian state-funded aged care beds in country hospitals were converted into Australian Government multi-purpose service places, resulting in a drop in the numbers of available hospital beds between 2011–12 and 2012–13.

Between 2013–14 and 2014–15, 46 very small hospitals in Queensland were reclassified as non-hospital health services. The 46 hospitals combined reported a total of 20 average available beds in 2013–14.

In 2014–15, Tasmania reclassified a number of mental health, aged care and same-day beds in hospitals, resulting in an apparent increase of 103 beds between 2013–14 and 2014–15. After adjusting for this change, Tasmania estimates that average available beds increased by about 0.8% between 2013–14 and 2014–15 and did not increase between 2010–11 and 2014–15.

Table 2.8: Average available beds[a] and beds per 1,000 population, public hospitals, states and territories, 2010–11 to 2014–15

						Change (%)	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
Average available beds							
New South Wales	19,931	20,073	20,181	20,242	21,018	1.3	3.8
Victoria[b]	13,474	13,495	13,449	13,583	13,909	0.8	2.4
Queensland[c]	11,117	11,245	11,273	11,508	11,771	1.4	2.3
Western Australia	5,492	5,677	5,648	5,477	5,689	0.9	3.9
South Australia[d]	5,040	5,232	4,922	4,876	4,923	–0.6	1.0
Tasmania[e]	1,196	1,188	1,188	1,187	1,299	n.p.	n.p.
Australian Capital Territory	926	939	986	1,030	1,068	3.6	3.7
Northern Territory	662	696	664	664	664	0.1	0.0
Total public hospitals	**57,838**	**58,545**	**58,311**	**58,567**	**60,340**	**1.1**	**3.0**
Available beds per 1,000 population[f]							
New South Wales	2.8	2.8	2.8	2.7	2.8	0.0	3.7
Victoria[b]	2.5	2.4	2.4	2.4	2.4	–1.0	0.0
Queensland[c]	2.5	2.5	2.5	2.5	2.5	0.0	0.0
Western Australia	2.4	2.4	2.3	2.2	2.2	–2.2	0.0
South Australia[d]	3.1	3.2	3.0	2.9	2.9	–1.7	0.0
Tasmania[e]	2.4	2.3	2.3	2.3	2.5	n.p.	n.p.
Australian Capital Territory	2.6	2.6	2.6	2.7	2.8	1.9	3.7
Northern Territory	2.9	3.0	2.8	2.7	2.7	–1.8	0.0
Total public hospitals	**2.6**	**2.6**	**2.6**	**2.5**	**2.6**	**0.0**	**4.0**

(a) The number of average available beds presented here may differ from the counts published elsewhere. For example, counts based on bed numbers at a specified date such as 30 June may differ from the average available beds over the reporting period.

(b) For Victoria for 2010–11 to 2011–12, the numbers of available beds were adjusted since published in 2013–14 to correct reporting anomalies and to include Secure Extended Care Unit beds. These beds met the definition of an available bed but were incorrectly excluded from the submissions for some hospitals to the NPHED. Comparisons of bed numbers published in *Australian hospital statistics* reports before 2013–14 are not valid for Victoria.

(c) The count of beds in Queensland was based on data as at 30 June of the relevant year.

(d) In 2012–13, a large number of South Australian state-funded aged care beds in country hospitals were converted into Australian Government multi-purpose service places. This resulted in an apparent decrease in the numbers of available beds between 2011–12 and 2012–13.

(e) In 2014–15, Tasmania reclassified a number of mental health, aged care and same-day beds in hospitals, resulting in an apparent increase of 103 beds between 2013–14 and 2014–15. After adjusting for this change, Tasmania estimates that average available beds increased by about 0.8% between 2013–14 and 2014–15 and did not increase between 2010–11 and 2014–15.

(f) Average available beds per 1,000 population is reported as a crude rate based on the estimated resident population as at 30 June at the beginning of the relevant reporting period.

Note: See boxes 1.2, 2.1 and 2.2 for notes on data limitations.

Source: NPHED.

Table 2.9: Licensed beds and beds per 1,000 population, other private hospitals, states and territories, 2010–11 to 2014–15

						Change (%)[a]	
	2010–11	2011–12	2012–13	2013–14	2014–15	Average since 2010–11	Since 2013–14
Licensed beds							
New South Wales	6,704	6,995	7,143	7,326	7,843	4.0	7.1
Victoria	6,629	6,841	7,214	7,496	7,457	3.0	–0.5
Queensland	6,000	6,017	6,108	6,480	6,483	2.0	<0.1
Western Australia[a]	3,138	3,284	3,486	n.a.	n.a.	n.a.	n.a.
South Australia[a]	1,911	n.a.	1,861	1,863	1,878	–0.4	0.8
Tasmania, Australian Capital Territory, and Northern Territory[a]	1,012	n.a.	1,077	n.a.	n.a.	n.a.	n.a.
Total other private hospitals	**25,394**	**26,031**	**26,889**	**27,943**	**28,679**	**3.1**	**2.6**
Licensed beds per 1,000 population[b]							
New South Wales	0.9	1.0	1.0	1.0	1.0	2.7	0.0
Victoria	1.2	1.2	1.3	1.3	1.3	2.0	0.0
Queensland	1.4	1.3	1.3	1.4	1.4	0.0	0.0
Western Australia[a]	1.4	1.4	1.4	n.a.	n.a.	n.a.	n.a.
South Australia[a]	1.2	n.a.	1.1	1.1	1.1	–2.2	0.0
Tasmania, Australian Capital Territory, and Northern Territory[a]	2.0	n.a.	2.1	n.a.	n.a.	n.a.	n.a.
Total other private hospitals	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**	**0.0**	**0.0**

(a) Tasmania, the Australian Capital Territory and the Northern Territory were aggregated by ABS to protect the confidentiality of the small number of hospitals in these states/territories. Data for Western Australia for 2013–14 and data for South Australia for 2011–12 were not published by the ABS to prevent calculation of the total licensed beds for Tasmania, the Australian Capital Territory and the Northern Territory.

(b) Licensed beds per 1,000 population is reported as a crude rate based on the estimated resident population as at 30 June of the relevant year.

Note: See boxes 1.2, 2.1 and 2.2 for notes on data limitations.

Source: Private hospitals Australia 2014–15 (ABS 2016).

How many hospital beds were there in 2014–15?

In 2014–15, there were about 60,300 available beds in public hospitals, with about 2,140 of them in public psychiatric hospitals.

Almost 31,800 licensed beds were reported for private hospitals in 2014–15, with almost 3,100 (9.7%) of them in *Private free-standing day hospital facilities*.

In 2014–15, nationally, about 87% of beds in *Public acute hospitals* were available for overnight stay patients. The proportion of beds in *Public acute hospitals* that were available for same-day patients ranged from 5.1% in the Northern Territory to 17.9% in Queensland (Table 2.10).

Most beds in *Public psychiatric hospitals* were for overnight care. New South Wales and South Australia each reported 1 average available bed for same-day care in *Public psychiatric hospitals*.

The number of available beds per 1,000 population in *Public acute hospitals* ranged from 2.1 per 1,000 in Western Australia, to 2.8 per 1,000 in South Australia and the Australian Capital Territory.

Table 2.10: Average available or licensed beds[(a)] and beds per 1,000 population, public and private hospitals, states and territories, 2014–15

	NSW	Vic	Qld[(b)]	WA	SA	Tas	ACT	NT	Total
Average available beds									
Public hospitals	21,018	13,909	11,771	5,689	4,923	1,299	1,068	664	60,340
Public acute hospitals	*19,860*	*13,754*	*11,426*	*5,463*	*4,770*	*1,198*	*1,068*	*664*	*58,203*
Same-day beds/chairs	1,672	2,160	2,045	665	602	205	169	34	7,551
Overnight beds	18,189	11,595	9,381	4,798	4,168	993	899	630	50,652
Public psychiatric hospitals	1,158	154	345	226	153	101	. .	. .	2,137
Private hospitals	*8,820*	*8,196*	*7,045*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*31,774*
Private free-standing day hospital facilities	977	739	562	n.a.	n.a.	n.a.	n.a.	n.a.	3,095
Other private hospitals	7,843	7,457	6,483	n.p.	1,878	n.a.	n.a.	n.a.	28,679
Total beds[(a)]	**29,838**	**22,104**	**18,816**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**92,114**
Available or licensed beds per 1,000 population[(c)]									
Public hospitals	*2.8*	*2.4*	*2.5*	*2.2*	*2.9*	*2.5*	*2.8*	*2.7*	*2.6*
Public acute hospitals	2.6	2.4	2.4	2.1	2.8	2.3	2.8	2.7	2.5
Public psychiatric hospitals	0.2	0	0.1	0.1	0.1	0.2	. .	. .	0.1
Private hospitals	*1.2*	*1.4*	*1.5*	n.a.	n.a.	n.a.	n.a.	n.a.	*1.4*
Private free-standing day hospital facilities	0.1	0.1	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	0.1
Other private hospitals	1.0	1.3	1.4	n.a.	1.1	n.a.	n.a.	n.a.	1.2
Total beds per 1,000 population[(c)]	**4.0**	**3.8**	**4.0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3.9**

(a) The number of average available beds presented here may differ from the counts published elsewhere. For example, counts based on bed numbers at a specified date such as 30 June may differ from the average available beds over the reporting period. For private hospitals, the counts are licensed beds and are not directly comparable to *Public hospital* average available beds.

(b) The count of public hospital beds in Queensland was based on data as at 30 June 2015.

(c) Average available beds or licensed beds per 1,000 population are reported as a crude rate based on the estimated resident population as at 30 June 2015.

Note: See boxes 1.2 and 2.2 for notes on data limitations.

Sources: Public hospital information was sourced from the NPHED and private hospital information was sourced from ABS 2016.

Where were public hospital beds located?

Nationally, about 68% of public hospital beds were located in *Major cities* (40,800 beds) and 18% were located in *Inner regional* areas (Table 2.11).

The number of public hospital beds per 1,000 population varied across remoteness areas, from 2.5 beds per 1,000 population in *Major cities* to 3.7 beds per 1,000 population in *Remote* areas. New South Wales had the highest average available beds per 1,000 population in *Total regional* (comprising *Inner regional* and *Outer regional* areas combined) and *Total remote* (comprising *Remote* and *Very remote* areas combined) areas (3.2 and 6.3 beds per 1,000 population, respectively).

The ratio of available beds to the population does not necessarily indicate the accessibility of hospital services. A hospital can provide services for patients who usually reside in other areas of the state or territory, or in other jurisdictions. The patterns of bed availability across regions may also reflect the availability of other health-care services and patterns of disease and injury.

How does Australia compare?

In 2014–15, Australia had 3.9 public and private hospital beds per 1,000 population, compared with an average of 4.8 beds per 1,000 population for other Organisation for Economic Co-operation and Development (OECD) countries (Table 2.12), and ranking in the middle of the 42 OECD countries.

Among the OECD countries, the number of hospital beds per 1,000 population ranged from 0.5 per 1,000 in India to 13.3 per 1,000 in Japan (Figure 2.1). Compared with Australia, there were fewer beds per 1,000 population in the United States (2.9), New Zealand (2.8), the United Kingdom (2.8) and Canada (2.7). There were more beds per 1,000 in Germany (8.3), France (6.3) and Greece (4.8) (OECD 2015).

Table 2.11: Average available beds and beds per 1,000 population[(a)], by remoteness area[(b)], public hospitals, states and territories, 2014–15

	NSW	Vic	Qld[(c)]	WA	SA	Tas	ACT	NT	Total
Average available beds									
Major cities	14,657	10,199	7,141	4,331	3,451	. .	1,068	. .	40,847
Total regional	*6,108*	*3,699*	*4,129*	*934*	*1,205*	*1,277*	. .	*367*	*17,718*
Inner regional	4,365	2,943	1,959	407	370	924	. .	. .	10,968
Outer regional	1,743	755	2,170	527	835	353	. .	367	6,750
Total remote	*253*	*11*	*501*	*424*	*267*	*22*	. .	*297*	*1,775*
Remote	194	11	226	305	209	12	. .	243	1,201
Very remote	59	. .	275	119	58	10	. .	54	575
Total all remoteness areas	**21,018**	**13,909**	**11,771**	**5,689**	**4,923**	**1,299**	**1,068**	**664**	**60,340**
Available beds per 1,000 population									
Major cities	2.6	2.3	2.4	2.2	2.8	. .	2.8	. .	2.5
Total regional	*3.2*	*2.7*	*2.5*	*2.2*	*3.1*	*2.5*	. .	*2.6*	*2.8*
Inner regional	3.0	2.7	2.0	1.7	2.0	2.7	. .	. .	2.6
Outer regional	3.9	3.1	3.1	2.8	4.1	2.1	. .	2.6	3.2
Total remote	*6.4*	*2.4*	*3.6*	*2.5*	*4.4*	*2.1*	. .	*2.8*	*3.3*
Remote	6.3	2.4	2.8	2.9	4.6	1.5	. .	4.9	3.7
Very remote	7.0	. .	4.6	1.8	3.9	4.2	. .	1.0	2.8
Total all remoteness areas	**2.8**	**2.4**	**2.5**	**2.2**	**2.9**	**2.5**	**2.8**	**2.7**	**2.6**

(a) Average available beds per 1,000 population is reported as a crude rate based on the estimated resident population as at 30 June 2015.

(b) The remoteness area of hospital was based on the ABS 2011 remoteness area classification.

(c) The count of beds in Queensland was based on data as at 30 June 2015.

Note: See boxes 1.2, 2.1 and 2.2 for notes on data limitations.

Source: NPHED.

Table 2.12: Hospital beds, per 1,000 population[a], states and territories 2014–15, OECD average (2013)[b]

	Hospital beds (per 1,000 population)		
	Public hospitals	Private hospitals[c]	Total
New South Wales	2.8	1.0	3.8
Victoria	2.4	1.3	3.7
Queensland	2.4	1.4	3.8
Western Australia	2.2	n.a.	n.a.
South Australia	2.9	1.1	4.0
Tasmania	2.5	n.a.	n.a.
Australian Capital Territory	2.8	n.a.	n.a.
Northern Territory	2.7	n.a.	n.a.
Australia	**2.6**	**1.4**	**3.9**
OECD average	. .	. .	**4.8**
OECD interquartile range[d]			3.0–6.8
Number of OECD countries			42

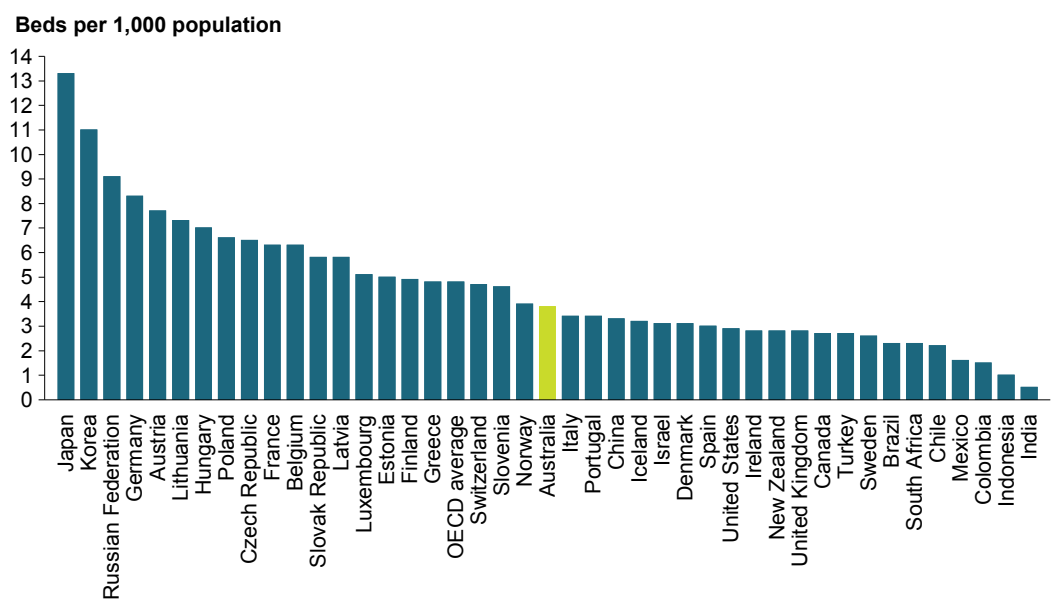
(a) Hospital beds per 1,000 population for Australia is reported as a crude rate based on the estimated resident population as at 30 June 2015.

(b) For some OECD countries, the data relate to a year other than 2013.

(c) Beds/chairs in private free-standing day hospital facilities were included for Australia but were not available for states and territories.

(d) The interquartile range is a measure of statistical dispersion, being equal to the difference between the upper and lower quartiles.

Source: Public hospital beds were sourced from NPHED and Private hospital beds were sourced from *Private hospitals Australia 2014–15* (ABS 2016). Hospital beds for OECD countries were sourced from OECD 2015.



(a) Data for OECD countries vary in collection periods, and whether reported by financial year or calendar year. For some OECD countries, the data relate to a year other than 2013.

Figure 2.1: Beds per 1,000 population, Australia (2014–15) and OECD countries (2013)[a]

2.4 How many Local hospital networks were there in 2014–15?

Local hospital networks are defined as those entities recognised as such by the relevant state or territory health authority. They directly manage single or small groups of public hospital services and their budgets, and are directly responsible for hospital performance (METeOR id. 491016).

The LHNs vary greatly in location, size and in the types of hospitals that they include. LHNs may include both public and private hospitals. The information presented below relates to public hospitals only.

Table 2.13 shows the number of LHNs in each state and territory, and includes a count of networks according to the 'major public hospital' in the network (using the AIHW public hospital peer groups). The 'major public hospital' was identified as the hospital with the greatest amount of admitted patient activity among the hospitals in the LHN. For more information on the peer group classification, see Chapter 3 and Appendix C.

In 2014–15, there were 138 LHNs, including 88 LHNs in Victoria, and 1 LHN in the Australian Capital Territory (Table 2.13).

Many LHNs, mostly in Victoria, consist of a single public hospital. Other networks might consist of a *Principal referral* or *Public acute group A* hospital and a range of smaller and/or more specialised hospitals.

Table 2.13: Local hospital networks, by major public hospital type, states and territories, 2014–15

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Total Local hospital networks	**18**	**88**	**17**	**4**	**5**	**3**	**1**	**2**	**138**
Principal referral	9	6	4	2	2	1	1	1	26
Specialist women's and children's	1	3	1	1	1	. .	. .	. .	7
Public acute group A	5	13	8	0	1	2	0	1	30
Public acute group B	2	1	1	1	1	0	. .	. .	6
Public acute group C	0	29	3	0	0	0	0	0	32
Public acute group D	0	19	0	0	0	0	0	0	19
Very small	0	10	0	0	0	0	. .	. .	10
Psychiatric	1	1	0	0	0	0	. .	. .	2
Subacute and non-acute	0	1	0	0	0	. .	. .	. .	1
Other	0	5	0	0	0	. .	0	. .	5
LHNs that consist of a single hospital	*1*	*54*	*0*	*1*	*1*	*0*	*0*	*0*	*57*
Total hospitals	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**

(a) The number of public hospitals in Victoria is reported as a count of the campuses that reported data separately to the NHMD in 2014–15. The Victorian forensic public psychiatric hospitals are counted as 1 hospital for the purpose of this report. This differs from the number of hospitals reported to the NPHED, for which the Victorian forensic public psychiatric hospital campuses are counted separately.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

Where to go for more information

More information on Local hospital networks is available from the National Health Reform Public Hospital Funding website <www.publichospitalfunding.gov.au/>.

3 How diverse were public hospitals?

This chapter presents information on the diversity of Australian public hospitals. The diversity of hospitals can be described in various ways. The information in this chapter includes:

- public hospital peer groups—which classify public hospitals into groups of similar hospitals—presented by state and territory, the location (remoteness area) of the hospital, and the types of services provided for 2014–15
- hospital size—the number of public hospitals by size (based on the number of average available beds), and state and territory for 2014–15
- the number of public acute hospitals that provided specialised service units by state and territory, remoteness area of hospital and public hospital peer group for 2014–15
- the 20 most common Service Related Groups—representing clinical divisions of hospital activity—by public hospitals, remoteness area of hospital and public hospital peer group for 2014–15.

Key findings

How did public hospitals differ?

In 2014–15, the 698 public hospitals were very diverse in size and type of services they provided. They ranged from the 30 *Principal referral* hospitals to the 8 *Outpatient* hospitals, 8 *Early parenting centres* and 20 *Psychiatric* hospitals.

All states and territories had at least one *Principal referral* hospital and at least one *Public acute group A* hospital. *Specialist women's and children's* hospitals were located in New South Wales, Victoria, Queensland, Western Australia and South Australia, as were the specialist *Psychiatric* hospitals.

All *Principal referral* hospitals had 24-hour emergency departments, outpatient clinics and provided elective surgery. On average, *Principal referral* hospitals had 650 beds.

Most *Public acute group A* hospitals had 24-hour emergency departments (60 out of 62), all had outpatient clinics and most provided elective surgery (57 out of 62). On average, *Public acute group A* hospitals had 267 beds.

What specialised service units were provided?

In 2014–15, the most common specialised service units offered by public hospitals were for *Domiciliary care* (provided by 390 public hospitals), followed by those for *Nursing home care* (provided by 285 public hospitals) and *Obstetric/maternity services.* There were 81 *Intensive care units (level III)*, and 27 *Neonatal intensive care units (level III)*.

3.1 How did public hospitals differ?

This section presents information by public hospital peer group, including the remoteness area of the hospitals, the size of the hospitals, and the services typically provided in each peer group.

Public hospital peer groups

Public hospital peer groups are presented in Table 3.1. The table includes the average number of Australian Refined Diagnosis Related Group (AR-DRGs) reported for each group of hospitals, which is a gauge of the range of admitted patient services they provided.

In 2014–15, the 698 public hospitals were:

- 30 *Principal referral* hospitals (Table 3.1)—mainly located in *Major cities*, with at least 1 in each state and territory. They provided a very broad range of services and had very large patient volumes. Most include an intensive care unit, a cardiac surgery unit, a neurosurgery unit, an infectious diseases unit and a 24-hour emergency department. These hospitals accounted for more than 2.1 million separations (and average of 70,988 separations per hospital), or 36% of the total for public hospitals, and they accounted for 6.9 million patient days, or 36% of the total for public hospitals.
- 12 *Women's and children's* hospitals—located in Sydney, Melbourne, Brisbane, Perth and Adelaide. They specialised in maternity and other specialist services for women, and/or specialist paediatric services. They accounted for 22,639 separations on average per hospital.
- 62 *Public acute group A* hospitals—33 were located in *Major cities*, and 29 in *Regional* and *Remote* areas. They provided a wide range of services to a large number of patients. Most had an intensive care unit, a 24-hour emergency department and a range of specialist units such as bone marrow transplant, coronary care and oncology units. They provided emergency department, outpatient and admitted patient services, generally with a range of activities less than for the *Principal referral* hospitals, with an average of 32,175 separations per hospital.
- 45 *Public acute group B* hospitals—24 in *Major cities* and 21 in *Regional* and *Remote* areas. Most had a 24-hour emergency department and provided elective surgery. They provided a narrower range of services than the *Principal referral* and *Public acute group A hospitals*. They had a range of specialist units such as obstetrics, paediatrics, psychiatric and oncology units. They had an average of 16,980 separations per hospital.
- 143 *Public acute group C* hospitals—mostly in *Regional* and *Remote* areas. These hospitals usually provided an obstetric unit, surgical services and some form of emergency facility. Generally smaller than the *Public acute group B* hospitals, they delivered mainly acute care for admitted patients, with an average of 3,595 separations per hospital in the year, with a relatively narrow range of services.
- 190 *Public acute group D* hospitals—most situated in *Regional* and *Remote* areas, offered a smaller range of services relative to the other public acute hospitals (groups A–C). Hospitals in this group tend to have a greater proportion of non-acute separations compared with the larger acute public hospitals. They had an average of 594 separations per hospital.
- 122 *Very small* hospitals in *Regional* and *Remote* areas delivered a narrow range of services. On average, they accounted for fewer than 100 separations each year.

- 20 *Psychiatric* hospitals—located in Sydney, Melbourne, Brisbane, Perth and Adelaide, with 1 in regional Victoria, 3 in regional Queensland centres and 3 in regional New South Wales. They specialised in providing psychiatric care and/or treatment for people with a mental disorder or psychiatric disability.
- 39 *Subacute and non-acute* hospitals – including hospitals that primarily provided *Rehabilitation care*, as well as *Mixed subacute and non-acute* hospitals, that provided rehabilitation care, palliative care, geriatric evaluation and management, psychogeriatric care and non-acute (maintenance) care. They had an average of 1,532 separations per hospital.
- 8 *Outpatient* hospitals—in *Regional* and *Remote* areas. They provided a range of non-admitted patient services. Generally, they do not admit patients.
- 27 *Other* hospitals—this group is diverse and not considered a peer group for comparative purposes.

How did public hospitals differ among states and territories?

The distribution of hospital services varies among jurisdictions.

Queensland had the lowest proportion of hospitals (15%) located in the area that included its state capital (for example, *Major cities* for New South Wales, Victoria, Queensland, Western Australia and the Australian Capital Territory, and *Regional* for Tasmania and the Northern Territory).

As expected, Queensland and Western Australia had the highest numbers of public hospitals located in *Remote* areas.

The provision of hospital services also varied among jurisdictions. For example, about 17% of public hospitals reported providing formal emergency department care in Tasmania compared with 79% in New South Wales (Table 3.2).

Table 3.1: Public hospital peer groups, 2014–15

	Location				Services provided				Other characteristics				
	Major cities	Regional	Remote	Total	Emergency departments[a]	Non-admitted patient clinics[b]	Elective surgery[c]	Intensive care units[d]	Average available beds	Separations[e] (average)	Average length of stay (days)	Non-acute care patient days (%)	AR-DRGs(5+)[f]
Principal referral	27	3	0	**30**	30	30	30	30	650	70,988	3.3	8.6	598
Women's and children's	12	0	0	**12**	9	12	10	10	211	22,639	3.0	1.4	230
Public acute group A	33	28	1	**62**	60	62	57	48	267	32,175	2.9	11.7	411
Public acute group B	24	20	1	**45**	45	45	43	9	138	16,980	2.7	18.5	265
Public acute group C	11	114	18	**143**	55	141	86	2	40	3,595	2.7	23.7	103
Public acute group D	4	134	52	**190**	59	169	9	0	17	594	4.3	34.4	25
Very small	0	84	38	**122**	24	88	0	0	8	90	10.2	50.6	2
Psychiatric	16	4	0	**20**	0	5	0	1	103	599	51.7	57.5	8
Subacute and non-acute	28	11	0	**39**	0	32	0	0	65	1,532	14.5	91.6	21
Outpatient	0	4	4	**8**	5	7	0	0	1	31	5.2	3.3	1
Other[g]	23	4	0	**27**	1	16	5	1	34	4,063	2.4	20.0	23
Total	**178**	**406**	**114**	**698**	**288**	**607**	**240**	**101**	**86**	**8,567**	**3.2**	**17.7**	**114**

(a) This is the number of hospitals reporting episode-level emergency department presentations data to the National Non-admitted Patient Emergency Care Database (NNAPEDCD). Other hospitals may also provide emergency or urgent services on a less formal basis.

(b) This is the number of hospitals reporting non-admitted service events to the National Non-admitted Patient Care Database (NNAPC(agg)D).

(c) This is the number of hospitals reporting data to the National Elective Surgery Waiting Times Data Collection (NESWTDC).

(d) This is the number of hospitals that reported hours spent in *Intensive care units (level III)* or in *Neonatal intensive care units (level III)* to the National Hospital Morbidity Database (NHMD).

(e) Separations for which the care type was reported as *Newborn* (without qualified days), and records for *Hospital boarders* and *Posthumous organ procurement* are excluded.

(f) This is the average number of AR-DRGs for which there were at least 5 separations as reported to the NHMD. There are 771 individual AR-DRGs in AR-DRG version 7.0; this measure is an indication of the range of admitted patient services provided by the hospital.

(g) Includes *Early parenting centres*, *Drug and alcohol* hospitals, *Same-day* hospitals, *Other acute specialised* hospitals, and unpeered hospitals.

Note: See boxes 1.2, 2.1 and 2.2 for notes on data limitations.

Source: NPHED.

Table 3.2: Summary of public hospitals, states and territories, 2014–15

	Location				Services provided			
	Major cities	Regional	Remote	Total	Emergency departments[(a)]	Non-admitted patient clinics[(b)]	Elective surgery[(c)]	Intensive care units[(d)]
New South Wales	68	139	18	**225**	178	217	95	41
Victoria	53	96	2	**151**	40	103	32	28
Queensland	19	70	33	**122**	26	117	30	9
Western Australia	20	37	35	**92**	19	88	35	10
South Australia	15	44	18	**77**	14	71	37	7
Tasmania	0	19	4	**23**	4	4	4	2
Australian Capital Territory	3	0	0	**3**	2	2	2	2
Northern Territory	0	1	4	**5**	5	5	5	2
Total	**178**	**406**	**114**	**698**	**288**	**607**	**240**	**101**

(a) This is the number of hospitals reporting episode-level emergency department presentations data to the NNAPEDCD. Other hospitals may also provide emergency or urgent services on a less formal basis.

(b) This is the number of hospitals reporting non-admitted service events to the NNAPC(agg)D.

(c) This is the number of hospitals reporting data to the NESWTDC.

(d) This is the number of hospitals that reported hours spent in Intensive care units (level III) or in Neonatal intensive care units (level III) to the NHMD.

Notes

1. See boxes 1.2, 2.1 and 2.2 for notes on data limitations.
2. Similar information by peer groups within states and territories is available in tables that accompany this report online at <www.aihw.gov.au/hospitals>.

Where to go for more information

More information on public hospital peer groups is available:

- in Appendix C
- by state and territory in tables that accompany this report online at <www.aihw.gov.au/hospitals/>
- for those assigned to each public hospital in Table AS.1 accompanying this report online at <www.aihw.gov.au/hospitals/>.

Information on data limitations and methods is available in appendixes A and B.

3.2 How did public hospitals differ in size?

Grouping hospitals by the number of available beds showed that the majority of hospitals were very small, particularly in jurisdictions that covered large geographical areas.

The majority of beds were in larger hospitals and in more densely populated areas (Table 3.3). The two largest hospitals—both located in Brisbane—had more than 1,000 available beds. More than 69% of hospitals had 50 or fewer beds.

The proportion of hospital beds in different sized hospitals varied by jurisdiction. The Northern Territory did not have any public hospitals with more than 500 beds or with 10 beds or fewer. In Victoria, a higher proportion of hospital beds were in hospitals with 201 to 500 beds (41%) than in hospitals with more than 500 beds (19%).

Table 3.3: Public acute and psychiatric hospitals, by hospital size, states and territories, 2014–15

	NSW	Vic[a]	Qld[b]	WA	SA	Tas	ACT	NT	Total
				Number of hospitals					
10 or fewer beds	22	39	29	45	19	13	1	0	168
11 to 50 beds	128	51	60	26	41	5	0	2	313
51 to 100 beds	24	21	9	4	8	0	0	1	67
101 to 200 beds	24	19	6	8	3	3	0	1	64
201 to 500 beds	18	17	12	7	4	2	1	1	62
More than 500 beds	9	4	6	2	2	0	1	0	24
All hospitals	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**
				Average available beds[c]					
10 or fewer beds	68	237	207	217	123	70	10	. .	931
11 to 50 beds	3,355	1,138	1,375	677	985	85	. .	54	7,669
51 to 100 beds	1,725	1,579	667	268	587	. .	. .	60	4,886
101 to 200 beds	3,674	2,685	956	1,211	422	337	. .	183	9,468
201 to 500 beds	5,945	5,685	3,904	2,095	1,314	807	265	367	20,382
More than 500 beds	6,252	2,584	4,662	1,221	1,492	. .	793	. .	17,003
All hospitals	**21,018**	**13,908**	**11,771**	**5,689**	**4,923**	**1,299**	**1,068**	**664**	**60,340**

(a) The count of hospitals in Victoria is a count of the campuses that report data separately to the NHMD.

(b) The count of beds in Queensland was based on data as at 30 June 2015.

(c) This is the total of average available beds within each 'hospital size', not the average number of beds per hospital.

Note: See boxes 1.2, 2.1 and 2.2 for notes on data limitations.

Source: NPHED.

3.3 What specialised service units did public hospitals provide?

This section includes information on the types of admitted and non-admitted specialised units that were reported for each hospital, based on data reported to the NPHED for 2014–15. It also includes information on the types of clinical units provided for admitted patients, based on data reported to the National Hospital Morbidity Database (NHMD) for 2014–15.

What specialised service units did public hospitals provide in 2014–15?

In 2014–15, the most common specialised service units offered by public hospitals were for *Domiciliary care* (provided by 390 hospitals), followed by those for *Nursing home care* (285 hospitals) and *Obstetric/maternity units* (228 hospitals) (Table 3.4).

In 2014–15, 81 public hospitals had *Intensive care units (level III)*, 23 of which were located in *Regional* and *Remote* areas. Twenty-seven public hospitals had *Neonatal intensive care units (level III)* and 4 of these were located in *Total regional* (comprising *Inner regional* and *Outer regional* areas combined) and *Total remote* (comprising *Remote* and *Very remote* areas combined) areas.

Table 3.5 presents the specialised service units by public hospital peer group. All *Principal referral* hospitals had *Oncology units* and *Intensive care units (level III)*. More than half of the *Domiciliary care* service units were in *Public acute group C* (107) and *Public acute group D* hospitals (105).

Data on specialised service units by state and territory are presented in Table 3.6.

The existence of a specialised unit does not necessarily imply the delivery of large numbers of services in that unit.

Table 3.4: Number of public hospitals providing selected specialised service units, by remoteness area of hospital, 2014–15

	Remoteness area of hospital			
Specialised service unit	**Major cities**	**Total regional**	**Total remote**	**Total**
Domiciliary care service	74	257	59	**390**
Nursing home care unit	15	210	60	**285**
Obstetric/maternity unit	67	140	21	**228**
Maintenance renal dialysis centre	78	93	19	**190**
Rehabilitation unit	99	64	2	**165**
Oncology unit	71	74	8	**153**
Intensive care unit (level III)	58	22	1	**81**
Major plastic/reconstructive surgery unit	42	4	1	**47**
Neonatal intensive care unit (level III)	23	4	0	**27**
In-vitro fertilisation unit	9	1	0	**10**

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

Table 3.5: Number of public hospitals providing selected specialised service units, by public hospital peer group, 2014–15

Specialised service unit	Principal referral	Women's and children's	Public acute group A	Public acute group B	Public acute group C	Public acute group D	Very small	Psychiatric	Subacute and non-acute	Outpatient	Other	Total
Domiciliary care service	19	8	27	26	107	105	75	0	16	1	6	390
Nursing home care unit	2	0	4	4	54	99	104	1	13	3	1	285
Obstetric/maternity unit	18	7	50	34	109	7	0	0	0	0	3	228
Maintenance renal dialysis centre	27	6	47	32	45	27	0	0	3	0	3	190
Rehabilitation unit	22	6	42	28	27	5	0	3	29	0	3	165
Oncology unit	30	10	51	18	38	1	0	0	1	0	4	153
Intensive care unit (level III)	30	6	37	7	0	0	0	0	0	0	1	81
Major plastic/reconstructive surgery unit	27	6	12	1	1	0	0	0	0	0	0	47
Neonatal intensive care unit (level III)	14	10	2	1	0	0	0	0	0	0	0	27
In-vitro fertilisation unit	5	3	1	1	0	0	0	0	0	0	0	10
Total public hospitals[(a)]	**30**	**12**	**62**	**45**	**143**	**190**	**122**	**20**	**39**	**8**	**27**	**698**

(a) As a hospital may have more than one specialised service unit the rows do not sum to the total hospitals.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

Table 3.6: Number of public hospitals providing specialised service units, states and territories, 2014–15

Specialised service unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Acute renal dialysis unit	24	16	16	4	5	2	1	2	70
Acute spinal cord injury unit	2	2	1	2	1	0	1	0	9
AIDS unit	9	1	3	2	2	0	1	0	18
Alcohol and drug unit	74	11	8	3	3	1	1	0	101
Burns unit (level III)	4	2	2	3	2	1	0	0	14
Cardiac surgery unit	13	8	5	4	2	1	1	0	34
Clinical genetics unit	14	10	2	3	3	1	1	0	34
Comprehensive epilepsy unit	7	5	2	2	2	0	0	0	18
Coronary care unit	42	23	21	6	6	3	2	2	105
Diabetes unit	20	22	12	6	6	3	1	3	73
Domiciliary care service	119	95	44	59	71	0	1	1	390
Geriatric assessment unit	88	41	9	12	8	3	2	2	165
Hospice care unit	44	25	9	34	8	1	1	1	123
Infectious diseases unit	16	16	10	4	3	1	1	2	53
Intensive care unit (level III)	39	18	10	4	5	2	1	2	81
In-vitro fertilisation unit	3	1	2	1	2	0	0	1	10
Maintenance renal dialysis centre	63	65	23	15	17	2	1	4	190
Major plastic/reconstructive surgery unit	14	12	9	5	3	1	1	2	47
Neonatal intensive care unit (level III)	10	5	5	2	2	1	1	1	27
Neurosurgical unit	13	8	5	4	3	1	1	2	37
Nursing home care unit	76	92	11	47	49	10	0	0	285
Obstetric/maternity unit	72	54	40	27	25	3	2	5	228
Oncology unit	46	42	20	15	23	3	2	2	153
Psychiatric unit/ward	52	35	22	18	13	4	2	2	148
Rehabilitation unit	62	46	21	18	10	3	2	3	165
Sleep centre	13	11	7	4	4	2	1	2	44
Specialist paediatric service	46	25	20	10	6	4	1	4	116
Transplantation unit-bone marrow	13	7	4	4	1	1	1	0	31
Transplantation unit-heart (including heart/lung)	1	2	1	3	0	0	0	0	7
Transplantation unit-liver	2	2	2	2	1	0	0	0	9
Transplantation unit-pancreas	1	3	0	1	0	0	0	0	5
Transplantation unit-renal	7	6	3	4	2	0	0	0	22
Total public hospitals	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**

AIDS—acquired immune deficiency syndrome.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Source: NPHED.

3.4 How many specialised admitted patient clinical units were there in 2014–15?

This section presents information specialised admitted patient clinical units, based on the Service Related Groups (SRGs) classification.

The SRG classification categorises admitted patient episodes (sourced from the NHMD) into groups representing specialised clinical units or divisions of hospital activity. The SRG classification can be used to assist in planning services, in analysing and comparing hospital activity, examining patterns of service needs and access, and projecting potential trends in services.

The method used to assign records to SRGs largely involves aggregations of Australian Refined Diagnosis Related Groups (AR-DRG) information. But the assignment of some separations to SRGs is based on other information, such as procedures, diagnoses and care type. For public hospitals, separations may also have been assigned to the specialist *Perinatology* SRG depending on whether or not the hospital had a neonatal intensive care unit (level III), as reported to the NPHED.

The number of public hospitals reporting more than 360 patient days in an SRG can be used as an indicative measure of the number of specialised clinical units, as it indicates that at least 1 bed was occupied for most of the year for the SRG.

The availability of specialised clinical units varied by both the remoteness area of the hospital and by the peer group of the hospital.

More than 65% of *Drug and alcohol*, *Psychiatry/mental health – acute* and *Plastic and reconstructive surgery* specialised clinical units were located in *Major cities* and 62% of *Respiratory medicine* specialised clinical units were in *Total regional* (comprising *Inner regional* and *Outer regional* areas combined) areas (Table 3.7).

All *Principal referral hospitals* and most *Public acute group A hospitals* reported at least 360 patient days for *General medicine*, *Respiratory medicine*, *Cardiology*, *Orthopaedics*, *Gastroenterology*, *General surgery*, *Neurology* and *Haematology* (Table 3.8).

Table 3.7: Number of public hospitals reporting more than 360 patient days for the 20 most common specialised clinical units[(a)], by remoteness area[(b)] of hospital, 2014–15

	Remoteness area of hospital			
Specialised clinical unit	**Major cities**	**Total regional**	**Total remote**	**Total**
General medicine	128	235	31	394
Respiratory medicine	100	195	21	316
Cardiology	93	136	6	235
Orthopaedics	106	121	8	235
Gastroenterology	97	119	7	223
Maintenance	74	130	19	223
Rehabilitation	114	104	2	220
Neurology	106	83	5	194
General surgery	101	81	7	189
Obstetrics	67	98	12	177
Diagnostic gastrointestinal	87	76	4	167
Renal dialysis	75	83	9	167
Psychiatry/mental health—acute	102	54	2	158
Urology	91	54	3	148
Gynaecology	87	50	4	141
Haematology	87	50	1	138
Upper gastrointestinal surgery	83	50	2	135
Palliative care	67	65	3	135
Plastic and reconstructive surgery	85	43	2	130
Drug and alcohol	87	37	2	126

(a) Specialised clinical units information was derived from the NHMD and based on the Service Related Groups classification.

(b) Information on the remoteness area of hospital was sourced from the NPHED, and was based on the ABS 2011 remoteness area classification.

Note: See boxes 1.2 and 2.1 for notes on data limitations. Additional information for states and territories is in tables accompanying this report online at <www.aihw.gov.au/hospitals/>.

Sources: NPHED and NHMD.

Where to go for more information

More information on services provided for non-admitted patients is available in:

- *Emergency department care 2014–15: Australian hospital statistics* (AIHW 2015c
- *Non-admitted patient care 2014–15: Australian hospital statistics* (AIHW 2016c).

More information on services provided for admitted patients is available in:

- *Admitted patient care 2014–15: Australian hospital statistics* (AIHW 2016a).

More information on the method used to allocate admitted patient records to SRGs is available in Appendix D. More information on clinical service units by state and territory for both public and private hospitals is available in tables accompanying this report online at <www.aihw.gov.au/hospitals/>.

Information on data limitations and methods is available in appendixes A and B.

Table 3.8: Number of public hospitals reporting more than 360 patient days for the 20 most common specialised clinical service units[a], by public hospital peer group[b], 2014–15

Specialised clinical unit	Principal referral	Women's and children's	Public acute group A	Public acute group B	Public acute group C	Public acute group D	Very small	Psychiatric	Subacute and non-acute	Other[c]	Total
General medicine	30	10	62	44	137	84	4	6	8	9	394
Respiratory medicine	30	6	62	44	117	51	0	0	1	5	316
Cardiology	30	5	61	44	80	14	0	0	1	0	235
Orthopaedics	30	6	62	45	68	16	2	1	2	3	235
Gastroenterology	30	6	62	43	75	3	0	1	0	3	223
Maintenance	23	0	37	27	48	47	26	0	14	1	223
Rehabilitation	25	6	51	36	47	16	2	1	34	2	220
Neurology	30	6	62	44	39	4	0	3	4	2	194
General surgery	30	10	62	44	39	1	0	0	1	2	189
Obstetrics	19	9	51	33	63	1	0	0	0	1	177
Diagnostic gastrointestinal	30	6	59	31	36	1	0	0	0	4	167
Renal dialysis	29	3	50	32	41	6	0	0	2	4	167
Psychiatry/mental health—acute	30	7	54	26	13	0	0	12	10	6	158
Urology	30	7	60	33	15	1	0	0	0	2	148
Gynaecology	26	8	57	35	11	0	0	0	0	4	141
Haematology	30	6	61	30	8	0	0	0	0	3	138
Upper gastrointestinal surgery	30	6	60	33	5	0	0	0	0	1	135
Palliative care	25	2	33	18	28	7	0	0	22	0	135
Plastic and reconstructive surgery	30	6	56	28	9	0	0	0	0	1	130
Drug and alcohol	30	6	54	21	6	0	0	6	0	3	126
Number of hospitals in peer group[a][b]	**30**	**12**	**62**	**45**	**143**	**190**	**122**	**20**	**39**	**35**	**698**

(a) Specialised clinical units information was derived from the NHMD and based on the Service Related Groups classification.

(b) As a hospital may have more than one specialised clinical service units, the rows do not sum to the total hospitals.

(c) Includes *Early parenting centres*, *Drug and alcohol* hospitals, *Same-day* hospitals, *Other acute specialised* hospitals, *Outpatient* hospitals and unpeered hospitals.

Note: See boxes 1.2 and 2.1 for notes on data limitations.

Sources: NPHED and NHMD.

4 Who funded hospitals and how much did hospitals spend?

This chapter includes information about funds received and spent by public and private hospitals, for 2014–15 and over time. It includes:

- funding for public and private hospitals, for 2013–14 and over time
- the number of public hospitals by funding designation by state and territory for 2014–15
- recurrent expenditure by public and private hospitals by state and territory for 2014–15, and over time.

See Box 4.1 for information on funding and expenditure.

Key findings

Hospital funding

Based on data provided for the Health Expenditure Database, in 2013–14, public hospitals were mainly funded by the Australian (37%) and state or territory (54%) governments, with about 9%of funding coming from non-government sources. In contrast, about 66% of private hospital funding came from non-government sources.

Between 2009–10 and 2013–14, funding for public hospitals increased by 4.2% on average each year (after adjusting for inflation), from $39 billion in 2009–10 to $46 billion in 2013–14.

Over the same period, funding for private hospitals increased by 5.0% on average each year, from $11 billion in 2009–10 to $13 billion in 2013–14.

Hospital expenditure

In 2014–15, recurrent expenditure on public hospital services was about $57 billion (including depreciation), with about $6 billion of this amount spent on public hospital services at the LHN level or state/territory health authority level (excluding Queensland). About 64% of total recurrent expenditure (excluding depreciation) was for salaries, wages and superannuation and *Administrative expenses* accounted for a further 7%.

About 57% of public hospital recurrent expenditure was for admitted patient care, 17% for non-emergency non-admitted patient care, 10% for emergency care services and about 2% for *Direct teaching, training and research*.

In 2014–15, recurrent expenditure by private hospitals was more than $12 billion (ABS 2016).

4.1 How were hospitals funded?

Public and private hospitals are funded from a range of different sources, reflecting the types of patients they treat and the services they provide (see Box 4.1). Governments mainly fund emergency department and outpatient services, whereas both private (non-government) and government sources commonly fund admitted patient services.

Box 4.1: Hospital funding

Hospital funding is reported here as the money provided for the overall public and private hospital systems within each jurisdiction and nationally. It includes expenditure by the Australian Government, state and territory governments, health insurance funds and individuals.

The information was sourced from the AIHW's Health Expenditure Database (HED), which draws data from a wide variety of government and non-government sources. Hospital funding estimates can differ from hospital recurrent expenditure reported to the NPHED—for example, depending on the administrative structures and reporting practices in the jurisdiction.

This section presents information on who funded public and private hospitals for 2013–14 and between 2009–10 and 2013–14—expressed in both current and constant prices (see Box 4.2).

The original (or indirect) sources of funds are reported here rather than the immediate (or direct) sources. As such, the Australian Government is regarded as the source of funds for the contributions that it made for public hospitals via intergovernmental agreements, and for the contributions it made to private hospitals via the private health insurance premium rebates.

The financial data presented in tables 4.1 and 4.2 are sourced from the AIHW's HED (AIHW 2015d). Financial data reported from the HED for 2009–10 to 2013–14 are not directly comparable with data reported from the NPHED for the same period. The HED financial data included trust fund expenditure and central office costs, whereas the NPHED did not. The HED data reflect only that part of public hospitals' expenses that were used in providing hospital services. That is, they exclude expenses incurred in providing community and public health services, dental care, patient transport services and health research undertaken by public hospitals.

Box 4.2: What methods were used?

This chapter presents both current and constant prices for recurrent expenditure. The constant prices were derived from the current prices using a set of 'deflators'.

The constant prices reported from the HED in Table 4.1 used the ABS' Government Final Consumption Expenditure, State and Local—Hospitals and Nursing Homes deflator for both public and private hospitals, expressed in terms of prices in the reference year 2013–14.

For tables 4.5 and 4.6, the constant prices were derived from the current price data:

- for public hospitals, the ABS' Government Final Consumption Expenditure, State and Local—Hospitals and Nursing Homes deflator was used, expressed in terms of prices in the reference year 2013–14
- for private hospitals, the ABS' Household Final Consumption Expenditure deflator was used, expressed in terms of prices in the reference year 2013–14.

Changes over time

The sources of funding for public hospitals are the Australian Government, state and territory governments and non-government sources (including private health insurance, injury compensation insurers, self-funded patients and other sources of private revenue).

Between 2009–10 and 2013–14, after adjusting for inflation, public hospital funding rose by an average of 4.2% each year (Table 4.1). Funding from non-government sources increased by an average of 7.9% each year, funding from the Australian Government increased by 3.2% each year and funding from state and territory governments increased by 4.4% each year.

Between 2009–10 and 2013–14, private hospital funding rose by an average of 5.0% each year. Funding from non-government sources increased by an average of 6.1% each year, and funding from the Australian Government and from state and territory governments increased by 2.7% and 5.3% each year, respectively.

Between 2012–13 and 2013–14, public hospital funding increased by 4.2% and private hospital funding increased by 8.0%.

Table 4.1: Funding sources for public and private hospitals, constant prices[(a)] ($ million), 2009–10 to 2013–14

						Change (%)	
	2009–10	2010–11	2011–12	2012–13	2013–14	Average since 2009–10	Since 2012–13
Public hospitals							
Australian Government	14,835	16,285	16,600	16,242	16,841	3.2	3.7
State/territory government	20,881	21,373	23,085	23,655	24,788	4.4	4.8
Non-government	3,024	3,450	3,602	3,963	4,094	7.9	3.3
Total public hospitals	**38,740**	**41,108**	**43,288**	**43,860**	**45,723**	**4.2**	**4.2**
Private hospitals							
Australian Government	3,544	3,667	3,925	3,635	3,943	2.7	8.5
State/territory government	412	479	511	457	507	5.3	10.9
Non-government	6,797	7,215	7,382	7,991	8,598	6.1	7.6
Total private hospitals	**10,753**	**11,361**	**11,818**	**12,083**	**13,048**	**5.0**	**8.0**

(a) Expressed in terms of prices in the reference year 2013–14. The ABS Government Final Consumption Expenditure, State and Local—Hospitals and Nursing Homes deflator was used for both public and private hospitals.

Note: See boxes 4.1 and 4.2 and appendixes A and B for information on definitions, limitations and methods.

Source: Health expenditure Australia 2013–14 (AIHW 2015d).

How were hospitals funded in 2013–14?

In 2013–14, the state and territory governments and the Australian Government provided most of the funds for public hospitals (Table 4.2), state and territory governments provided about 54% of public hospital funding and the Australian Government provided about 37%.

In 2013–14, about 66% of private hospital funding was non-government, and the Australian Government provided about 30%. Private health insurance (69%, including funding from both health insurance funds and the Australian Government rebate on health insurance premiums) and out-of-pocket payments by patients (11%) mainly fund private hospitals (AIHW 2015d).

Table 4.2: Expenditure on public and private hospitals ($ million), by source of funds, 2013–14

	Public hospitals		Private hospitals	
	$ million	% of total	$ million	% of total
Australian Government	*16,841*	*36.8*	*3,943*	*30.2*
Rebates of health insurance premiums	405	0.9	2,723	20.9
Department of Veterans' Affairs	759	1.7	914	7.0
Other	15,677	34.3	306	2.3
State/territory government	24,788	54.2	507	3.9
Health insurance funds	944	2.1	6,344	48.6
Individuals	1,308	2.9	1,444	11.1
Other	1,842	4.0	809	6.2
Total	**45,723**	**100.0**	**13,048**	**100.0**

Note: See boxes 4.1 and 4.2 and appendixes A and B for information on definitions, limitations and methods.

Source: Health expenditure Australia, 2013–14 (AIHW 2015d).

Where to go for more information

More information on the funding of public and private hospital services is available in:

- *Health expenditure Australia 2013–14* (AIHW 2015d)
- *National Health Reform Public Hospital Funding, National Report June 2015* (ANHFP 2015).

4.2 Commonwealth funding arrangements

Public hospitals differ in how they are funded by the Commonwealth government.

Activity-based funded hospitals receive funding based on the amount and type of activity. Block-funded hospitals are those that are not considered suitable for activity-based funding due to the inability to meet the technical requirements of ABF reporting, a lack of economy of scale or remoteness (IHPA 2014). The Independent Hospital Pricing Authority (IHPA), in consultation with jurisdictions, develops block-funding criteria and identifies whether hospital services and functions are eligible for block-funding only, activity-based funding only or mixed activity-based funding and block funding.

In 2014–15, 271 public hospitals were designated as activity-based funded hospitals and 418 public hospitals as block-funded (Table 4.3). The funding designation was not assigned for 9 hospitals. The funding designation information provided for the NPHED does not include a category for mixed activity-based funding and block funding.

Table 4.3: Public hospitals by Independent Hospital Pricing Authority funding designation[(a)], states and territories, 2014–15

	NSW	Vic[(b)]	Qld	WA	SA	Tas	ACT	NT	Total
Activity-based funded hospitals	96	83	35	25	23	3	2	4	271
Block-funded hospitals	127	63	87	67	54	19	0	1	418
Funding not designated	2	5	0	0	0	1	1	0	9
Total	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**

(a) The designation given by the Independent Hospital Pricing Authority may not reflect the funding received by the hospital for different types of services. For example, in some circumstances a hospital may receive both activity-based funding and block funding.

(b) The number of public hospitals in Victoria is reported as a count of the campuses that reported data separately to the NHMD in 2014–15, and for which the IHPA funding designation was provided for the NPHED. This differs from the number of hospitals reported to the NPHED, for which the Victorian forensic public psychiatric hospital campuses are counted separately.

Source: NPHED.

4.3 How much recurrent expenditure was reported?

This section presents information on public and private hospital expenditure on salaries and wages and goods and services for 2014–15. It includes information on expenditure over time, in both current and constant prices (see boxes 4.2 and 4.3).

Total recurrent expenditure on public hospital services for all administrative levels in 2014–15 (by public hospitals, LHNs and state/territory health authorities, combined) is presented by category of expenditure. For each administrative level, the total amount of recurrent expenditure on public hospital services is also presented.

Box 4.3: Hospital expenditure

Recurrent expenditure is the money spent by hospitals, local hospital networks and state/territory health authorities on the goods and services they use, such as salary payments, drugs, medical and surgical supplies.

Information on public hospital recurrent expenditure was sourced from the NPHED. For 2014–15, for the first time, information on recurrent expenditure on public hospital services reported at the local hospital network level (LHN level) and at state/territory health authority level was included.

Information on private hospital recurrent expenditure was sourced from the ABS's PHEC.

Recurrent expenditure can be categorised into salary and non-salary expenditure:

- **Salary expenditure** includes salaries and wages, payments to staff on paid leave, workers compensation leave and salaries paid to contract staff where the contract was for the supply of labour and where full-time equivalent staffing data were available.
- **Non-salary expenditure** includes payments to *Visiting medical officers*, superannuation payments, drug supplies, medical and surgical supplies (which includes consumable supplies only and not equipment purchases), food supplies, domestic services, repairs and maintenance, patient transport, administrative expenses, interest payments, depreciation and other recurrent expenditure.

Summary tables in this chapter report two expenditure totals for public hospitals—one that includes depreciation and another excluding depreciation.

Changes over time

In 2014–15, about $36.6 billion recurrent expenditure was reported at the public hospital level, $15.4 billion at the LHN level and $3.1 billion at the state/territory health authority level (Table 4.4).

The apparent decrease in recurrent expenditure by public hospitals between 2010–11 and 2014–15 (tables 4.4 and 4.5) reflects changes in the scope of reporting between 2013–14 and 2014–15 (see Box 1.2). The total recurrent expenditure information presented for 2014–15 is not comparable with the total recurrent expenditure information presented for 2010–11 to 2013–14, as it includes expenditure at the LHN level and at the state/territory health authority level (excluding Queensland). Therefore, percentage changes (increase or decrease) over time are not shown.

For private hospitals, the recurrent expenditure data provided for 2014–15 are considered comparable with the data provided for 2010–11 to 2013–14. Recurrent expenditure for private

hospitals in 2014–15 was more than $12 billion. In constant price terms (adjusted for inflation), recurrent expenditure by private hospitals increased by an average of 4.0% each year between 2010–11 and 2014–15.

See Box 4.4 for more information on limitations of the data related to recurrent expenditure.

Table 4.4: Recurrent expenditure ($ million) (excluding depreciation), public and private hospitals, 2010–11 to 2014–15

							Change (%)	
		2010–11	2011–12	2012–13[a]	2013–14	2014–15[b]	Average since 2010–11	Since 2013–14
Public hospitals								
Public hospital	Current prices	36,985	40,384	41,741	44,435	36,600	n.p.	n.p.
	Constant prices[c]	40,598	43,753	44,170	45,668	36,600	n.p.	n.p.
Local hospital network	Current prices	n.a.	n.a.	n.a.	n.a.	15,376	n.a.	n.a.
State/territory health authority	Current prices	n.a.	n.a.	n.a.	n.a.	3,060	n.a.	n.a.
Private hospitals								
	Current prices	9,610	10,043	10,630	11,351	12,359	6.5	8.9
	Constant prices[d]	10,549	10,881	11,249	11,666	12,359	4.0	5.9
All hospitals								
	Current prices	**46,595**	**50,427**	**52,371**	**55,786**	**67,395**	**n.p.**	**n.p.**
	Constant prices	**51,147**	**54,634**	**55,419**	**57,334**	**67,395**	**n.p.**	**n.p.**

(a) For 2012–13, expenditure data were missing for 3 public hospitals in Queensland, which reported about $540 million expenditure in 2013–14.

(b) For 2014–15, includes recurrent expenditure includes expenditure at the LHN and state/territory health authority level (excluding Queensland). See Table 1.1 for information on the comparability of these data among states and territories.

(c) Expressed in terms of prices in the reference year 2014–15. The ABS Government Final Consumption Expenditure, State and Local—Hospitals & Nursing Homes deflator was used for public hospitals.

(d) Expressed in terms of prices in the reference year 2014–15. The ABS Household Final Consumption Expenditure—Hospital Services deflator was used for private hospitals.

Note: See Table 1.1 and boxes 1.2, 4.3 and 4.4 for notes on data limitations and methods.

Source: Public hospital information was sourced from the NPHED and private hospital information was sourced from the *Private hospitals Australia* reports (ABS 2012, 2013a, 2014, 2015, 2016).

Table 4.5: Recurrent expenditure on public hospital services ($ million, constant prices)[a] (excluding depreciation), states and territories, 2010–11 to 2014–15

	2010–11	2011–12	2012–13	2013–14	2014–15
New South Wales[b]					
Public hospital	12,586	13,922	14,192	14,408	15,652
Local hospital network	n.a.	n.a.	n.a.	n.a.	332
State/territory health authority	n.a.	n.a.	n.a.	n.a.	2,360
Victoria[c]					
Public hospital	2,515	2,608	2,669	2,577	n.a.
Local hospital network	7,501	8,321	7,944	8,373	12,515
State/territory health authority	n.a.	n.a.	n.a.	n.a.	167
Queensland[d]					
Public hospital	8,087	8,394	8,128	8,800	8,866
Local hospital network	n.a.	n.a.	n.a.	n.a.	n.a.
State/territory health authority	n.a.	n.a.	n.a.	n.a.	n.a.
Western Australia					
Public hospital	4,412	4,889	5,156	5,178	5,465
Local hospital network	n.a.	n.a.	n.a.	n.a.	2,348
State/territory health authority	n.a.	n.a.	n.a.	n.a.	512
South Australia[e]					
Public hospital	3,225	3,518	3,387	3,627	3,681
Local hospital network	n.a.	n.a.	n.a.	n.a.	0
State/territory health authority	n.a.	n.a.	n.a.	n.a.	21
Tasmania[f]					
Public hospital	959	988	1,007	1,027	1,052
Local hospital network	n.a.	n.a.	n.a.	n.a.	181
State/territory health authority	n.a.	n.a.	n.a.	n.a.	0
Australian Capital Territory[g]					
Public hospital	762	1,011	1,043	1,044	1,089
Local hospital network	n.a.	n.a.	n.a.	n.a.	0
State/territory health authority	n.a.	n.a.	n.a.	n.a.	0
Northern Territory[g]					
Public hospital	565	617	643	640	796
Local hospital network	n.a.	n.a.	n.a.	n.a.	0
State/territory health authority	n.a.	n.a.	n.a.	n.a.	0
Total					
Public hospital	**40,598**	**43,753**	**44,170**	**45,668**	**36,600**
Local hospital network	n.a.	n.a.	n.a.	n.a.	15,376
State/territory health authority	n.a.	n.a.	n.a.	n.a.	3,060

(a) Expressed in terms of prices in the reference year 2014–15. The ABS Government Final Consumption Expenditure, State and Local—Hospitals & Nursing Homes deflator was used for public hospitals.

(b) For New South Wales, professional indemnity expense was included for the first time in 2011–12.

(c) For 2010–11 to 2013–14, Victorian recurrent expenditure reported at the hospital level and LHN level did not include expenditure incurred at the LHN level or state health authority level. For 2014–15, recurrent expenditure on public hospital services incurred at the hospital level was reported at the LHN level.

(d) For 2014–15, Queensland did not report any recurrent expenditure incurred at the LHN level or at state health authority level. For 2012–13, expenditure data were not reported for 3 public hospitals in Queensland, which reported about $540 million of recurrent expenditure in 2013–14.

(e) For South Australia, between 2011–12 and 2013–14, leave revaluations in other employee-related expenditure resulted in an apparent decrease in expenditure. In time series data, this may result in 2012–13 appearing to have an artificial reduction in expenditure. For 2014–15, recurrent expenditure on public hospital services incurred at the LHN level were reported at either the hospital level or at the state health authority level.

(f) For 2014–15, recurrent expenditure incurred at the state health authority level was reported at either the hospital level or at the LHN level.

(g) For 2014–15, recurrent expenditure incurred at the LHN level or the state health authority level was reported at the hospital level.

Note: See Table 1.1 and boxes 1.2, 4.3 and 4.4 for notes on data limitations and methods.

Source: NPHED.

Box 4.4: What are the limitations of the data on expenditure on public hospital services?

Between 2010–11 and 2013–14, recurrent expenditure information on public hospitals provided to the NPHED was largely expenditure by hospitals and did not necessarily include all expenditure spent on hospital services by each state or territory government. For example, recurrent expenditure on the purchase of public hospital services at the state/territory or at the LHN level from privately owned and/or operated hospitals may not have been included.

For 2014–15, recurrent expenditure reported to the NPHED includes expenditure on public hospital services by public hospitals, by LHNs and by state/territory health authorities and includes expenditure on the provision of contracted care by private hospitals. For more information, see Chapter 1 'Data reported for the public hospital administrative levels', Table 1.1 and boxes 1.1 and 1.2. In addition:

- For 2014–15, for the purpose of reporting recurrent expenditure on public hospital services by public hospital peer group in this report, the AIHW assigned the recurrent expenditure provided by Victoria at LHN level to the 'major hospital' in the LHN—identified as the hospital with the greatest amount of admitted patient activity in the LHN.
- Queensland reclassified 47 establishments as non-hospital services that accounted for about $89 million of recurrent expenditure in 2013–14.
- For Western Australia, recurrent expenditure for 2 private hospitals delivering public hospital services was estimated.
- Recurrent expenditure for all Tasmanian hospitals was estimated.
- For 2012–13, Queensland was not able to provide recurrent expenditure information for 3 hospitals that accounted for about $540 million of recurrent expenditure (excluding depreciation) in 2013–14. In addition, for 2010–11 to 2014–15, expenditure on pathology services for Queensland was not reported as these were purchased from a state-wide pathology service rather than being provided by hospital employees.

Variation in expenditure on visiting medical officers may reflect differences in outsourcing arrangements. Variations in the outsourcing arrangements may also be reflected in variations in other recurrent expenditure categories reported in Table 4.5.

Capital expenditure is not reported in this publication. For 2014–15, not all jurisdictions were able to report capital expenditure information using the *National health data dictionary:* version 16.2 (AIHW 2015g) categories and the comparability of the data were not adequate for reporting.

How much recurrent expenditure was reported in 2014-15?

In 2014–15, recurrent expenditure on public hospital services was about $57 billion (including depreciation, and excluding non-hospital expenditure for Queensland) (Table 4.6).

Excluding payments to *Visiting medical officers* and payments for outsourced services, salary payments (including superannuation) accounted for 65% of the total $55 billion (excluding depreciation) spent on public hospital services.

In 2014–15, *Depreciation* ranged from 3.0% of total expenditure in Tasmania to about 5.7% in Victoria.

In 2014–15, about 89% of recurrent expenditure on public hospital services was reported at the hospital level (includes LHN level data for Victoria, as LHN level reporting in Victoria is likely to be equivalent to the combination of hospital level and LHN level reporting for other jurisdictions) (Table 4.7).

Principal referral hospitals accounted for about 38% of recurrent expenditure on public hospital services and *Public acute group A* hospitals accounted for 26% (Table 4.7).

Salaries and wages expenditure (including superannuation) represented about two-thirds (67%, includes LHN level data for Victoria) of total recurrent expenditure for all public hospitals (that is, excluding expenditure attributed to LHNs or state/territory health authorities). *Public acute group C* hospitals had the lowest proportion of expenditure on salaries and wages (62%) and *Psychiatric* hospitals had the highest proportion (71%).

Expenditure on *Medical and surgical supplies* accounted for less than 1% of expenditure in *Psychiatric* hospitals and about 9% of expenditure in *Principal referral* and *Public acute group B* hospitals.

About 5% of recurrent expenditure on public hospital services was reported at the LHN level and about 5% at the state/territory health authority level (excludes data for Victoria).

For states that reported recurrent expenditure data at the state/territory health authority level, about 65% of expenditure was for salary and wages. For LHNs, about 64% of expenditure was reported as *Non-salary expenditure* (excludes Victoria, the Australian Capital Territory and the Northern Territory).

Where to go for more information:

More detailed information on recurrent expenditure by the 3 administrative levels is available in tables accompanying this report online.

More information on hospital expenditure will be reported in *Health expenditure Australia 2014–15* (AIHW forthcoming).

Information on data limitations and methods is available in Table 1.1, and in appendixes A and B.

Table 4.6: Recurrent expenditure ($'000), public hospital services, states and territories, 2014–15

	NSW[a]	Vic[b]	Qld[c]	WA	SA[d]	Tas[e]	ACT[f]	NT[f]	Total
Salary and wages									
Salaried specialist medical officers	998,519	1,173,538	762,718	n.a.	334,837	110,422	98,059	136,997	3,615,090
Other salaried medical officers	1,013,572	783,665	869,668	1,174,140	265,162	82,115	71,309	n.a.	4,259,633
Salaried specialist medical officers–total	*2,012,092*	*1,957,203*	*1,632,386*	*1,174,140*	*599,999*	*192,538*	*169,368*	*136,997*	*7,874,723*
Registered nurses	n.a.	2,769,517	2,152,976	1,550,058	846,427	285,140	267,007	204,493	8,075,618
Enrolled nurses	n.a.	375,777	204,736	0	143,458	27,123	16,928	8,513	776,534
Student nurses	n.a.	1,764	3,760	0	2,612	0	17	0	8,154
Trainee nurses	n.a.	4,799	51	0	0	0	0	0	4,849
Nurses–total	*4,301,647*	*3,151,856*	*2,361,523*	*1,550,058*	*992,497*	*312,262*	*283,953*	*213,006*	*13,166,803*
Diagnostic and allied health professionals	2,078,941	1,202,899	579,733	612,257	188,643	88,876	87,167	45,934	4,884,449
Administrative and clerical staff[g]	1,748,172	998,719	596,989	662,363	208,444	100,649	84,314	44,718	4,444,368
Domestic and other staff	741,239	424,868	420,887	369,273	72,624	80,541	29,690	47,498	2,186,621
Other personal care staff	n.a.	113,096	82,128	n.a.	46,481	n.a.	5,175	532	247,410
Total salary and wages expenditure	*10,882,090*	*7,848,641*	*5,673,647*	*4,368,091*	*2,108,688*	*774,865*	*659,666*	*488,685*	*32,804,374*
Non-salary expenditure									
Payments to visiting medical officers	715,360	168,104	87,872	153,294	155,067	12,127	43,992	18,973	1,354,789
Superannuation	983,341	695,862	461,457	391,906	194,771	88,940	79,575	0	2,895,851
Drug supplies	711,001	603,494	393,305	292,729	179,826	56,578	38,674	27,592	2,303,199
Medical and surgical supplies	1,555,083	411,254	969,579	448,820	225,378	90,327	74,286	51,444	3,826,171
Food supplies	254,367	119,387	50,484	36,326	30,035	9,236	6,024	4,823	510,681
Domestic services	365,214	143,571	225,559	174,170	137,146	23,222	32,537	19,116	1,120,534
Repairs and maintenance	470,384	100,386	197,822	169,491	95,419	16,433	13,817	22,500	1,086,253
Patient transport	151,716	66,234	62,382	178,175	24,172	10,563	1,310	29,107	523,659
Administrative expenses–insurance	442,552	172,954	75,667	41,958	3,759	11,618	110	14	748,631
Administrative expenses–other	923,838	409,569	553,800	555,978	194,489	44,906	101,814	72,353	2,856,747
Administrative-total	*1,366,390*	*582,523*	*629,467*	*597,935*	*198,247*	*56,523*	*101,924*	*72,368*	*3,605,378*

(continued)

Table 4.6 (continued): Recurrent expenditure ($'000) on public hospital services, states and territories, 2014–15

	NSW[a]	Vic[b]	Qld[c]	WA	SA[d]	Tas[e]	ACT[f]	NT[f]	Total
Non-salary expenditure (continued)									
Interest payments	113,448	99,175	0	18,254	1,520	0	237	0	232,633
Depreciation–buildings	435,272	493,939	302,623	190,581	103,924	26,259	22,984	21,632	1,597,212
Depreciation–other	228,873	269,350	145,308	107,742	33,111	12,043	19,178	4,487	820,092
Depreciation–total	*664,144*	*763,289*	*447,930*	*298,323*	*137,035*	*38,301*	*42,162*	*26,119*	*2,417,303*
Lease costs	152,714	48,512	27,865	75,874	4,007	3,830	6,153	616	319,570
Other	0	1,043,383	6	4,561	95,978	9,274	406	29	1,153,638
Non-salary expenditure, n.e.c.	622,122	1,678,818	86,779	1,415,671	252,194	80,238	30,464	60,454	4,226,740
Total non-salary expenditure	*8,125,285*	*6,523,992*	*3,640,508*	*4,255,528*	*1,730,795*	*495,592*	*471,561*	*333,141*	*25,576,401*
Total recurrent expenditure, excluding depreciation	**18,343,231**	**12,681,820**	**8,866,224**	**8,325,297**	**3,702,448**	**1,232,156**	**1,089,064**	**795,708**	**55,035,948**
Public acute hospitals	17,822,743	12,624,005	8,748,139	8,230,894	3,630,550	1,210,305	1,089,064	795,708	54,151,407
Public psychiatric hospitals	520,488	57,815	118,085	94,403	71,898	21,851	. .	. .	884,541
Total recurrent expenditure, including depreciation	**19,007,375**	**13,445,109**	**9,314,154**	**8,623,620**	**3,839,483**	**1,270,458**	**1,131,226**	**821,827**	**57,453,251**
Public acute hospitals	18,473,796	13,387,294	9,191,254	8,526,191	3,761,768	1,248,604	1,131,226	821,827	56,541,959
Public psychiatric hospitals	533,579	57,815	122,900	97,429	77,715	21,854	. .	. .	911,292
Administrative level									
Public hospital level[c]	*16,218,448*	*n.a.*	*9,314,154*	*5,688,995*	*3,818,218*	*1,087,067*	*1,131,226*	*821,827*	*38,079,936*
Local hospital network-level[d]	*335,876*	*13,278,410*	*n.a.*	*2,414,212*	*n.a.*	*183,390*	*n.a.*	*n.a.*	*16,211,888*
State/territory health authority level[e]	*2,453,051*	*166,699*	*n.a.*	*520,413*	*21,264*	*n.a.*	*n.a.*	*n.a.*	*3,161,427*

(a) For New South Wales *Other personal care staff* are included in *Diagnostic and allied health professionals* and *Domestic and other staff*.

(b) *Administrative and clerical staff* may include staff working to support clinicians, such as ward clerks.

(c) The total at *Public hospital level* does not include Victorian recurrent expenditure incurred in public hospitals. It includes recurrent expenditure incurred at the LHN level and at state/territory health authority level for South Australia, the Australian Capital Territory and the Northern Territory.

(d) The total at *Local hospital network level* includes Victorian recurrent expenditure incurred in public hospitals and at the state health authority level. It does not include recurrent expenditure incurred at the LHN level for Queensland, South Australia, the Australian Capital Territory and the Northern Territory.

(e) The total at *State/territory health authority level* does not include recurrent expenditure incurred at the LHN level for Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

Note: See boxes 1.2, 4.3 and 4.4 for notes on data limitations and methods.

Source: NPHED.

Table 4.7: Recurrent expenditure ($'000), by public hospital peer group/other administrative level, 2014–15

	Principal referral	Women's and children's	Public acute group A	Public acute group B	Public acute group C	Public acute group D	Very small	Psychiatric	Subacute and non-acute	All public hospitals[(a)]	Local hospital network[(b)]	State/ territory health authority	Total
Salary and wages													
Salaried specialist medical officers	1,819,177	313,925	1,069,853	146,352	52,590	8,443	746	43,296	21,573	3,537,500	11,990	65,599	3,615,090
Other salaried medical officers	1,784,523	369,666	1,261,273	331,669	180,711	62,675	4,135	39,023	9,361	4,082,102	95,955	81,576	4,259,633
Salaried medical officers–total	*3,603,700*	*683,591*	*2,331,125*	*478,021*	*233,301*	*71,118*	*4,881*	*82,319*	*30,934*	*7,619,602*	*107,945*	*147,175*	*7,874,723*
Nurses–total	*5,152,315*	*848,645*	*3,945,629*	*906,834*	*939,451*	*392,173*	*132,611*	*308,365*	*127,068*	*12,887,332*	*238,251*	*41,220*	*13,166,803*
Diagnostic and allied health professionals	1,858,126	269,186	1,051,495	181,197	184,514	48,170	7,029	66,440	57,213	3,853,036	205,575	825,838	4,884,449
Administrative and clerical staff	1,508,632	284,222	1,060,228	221,553	246,490	84,313	24,011	75,266	26,546	3,605,745	314,015	524,608	4,444,368
Domestic and other staff	660,418	77,822	557,846	155,129	207,075	107,767	38,291	31,877	19,094	1,878,615	68,019	239,987	2,186,621
Other personal care staff	102,952	6,956	53,184	14,414	34,037	19,990	10,162	637	3,731	247,374	0	36	247,410
Total salary and wages expenditure	*12,886,143*	*2,170,422*	*8,999,506*	*1,957,148*	*1,844,868*	*723,531*	*216,987*	*564,904*	*264,586*	*30,091,704*	*933,805*	*1,778,864*	*32,804,374*
Non-salary expenditure													
Payments to visiting medical officers	333,698	37,798	454,983	179,776	245,298	52,160	9,567	13,711	2,043	1,346,812	7,180	798	1,354,789
Superannuation	1,153,106	182,292	786,526	174,812	159,551	63,781	19,776	51,176	22,513	2,656,628	88,239	150,984	2,895,851
Drug supplies	1,241,884	131,434	561,551	92,846	66,221	14,101	2,819	15,769	4,846	2,176,800	43,050	83,349	2,303,199
Medical and surgical supplies	1,867,982	179,024	1,136,092	284,969	152,870	38,863	4,979	6,805	10,216	3,716,358	46,799	63,015	3,826,171
Food supplies	162,746	26,994	165,558	40,128	46,588	28,665	8,927	13,168	10,595	506,723	3,601	357	510,681
Domestic services	435,231	62,503	321,727	83,270	96,292	44,718	14,679	21,920	10,216	1,101,393	15,207	3,934	1,120,534
Repairs and maintenance	431,336	50,458	237,026	60,485	75,592	35,264	11,519	21,416	9,082	941,425	39,376	105,453	1,086,253

(continued)

Table 4.7 (continued): Recurrent expenditure ($'000), by public hospital peer group/other administrative level, 2014–15

	Principal referral	Women's and children's	Public acute group A	Public acute group B	Public acute group C	Public acute group D	Very small	Psychiatric	Subacute and non-acute	All public hospitals[a]	Local hospital network[b]	State/ territory health authority	Total
Non-salary expenditure (continued)													
Patient transport	65,287	10,496	109,562	33,288	82,408	37,623	6,599	4,669	1,746	352,908	170,658	94	523,659
Administrative expenses—insurance	232,357	71,669	215,019	40,801	36,814	12,509	3,428	15,171	7,230	642,078	7,501	99,053	748,631
Administrative expenses—other	956,617	133,709	658,440	161,431	232,266	92,101	26,738	50,344	34,410	2,393,762	171,103	291,882	2,856,747
Administrative—total	*1,188,974*	*205,378*	*873,459*	*202,232*	*269,080*	*104,610*	*30,166*	*65,514*	*41,640*	*3,035,840*	*178,604*	*390,934*	*3,605,378*
Interest payments	115,598	73,493	28,133	925	1,221	227	222	9,374	4	229,725	2,908	0	232,633
Depreciation—buildings	641,954	120,289	406,063	81,413	128,472	62,939	21,072	22,293	7,946	1,514,514	60,541	22,156	1,597,212
Depreciation—other	357,238	57,582	198,465	29,716	42,595	14,848	5,203	4,456	3,504	728,383	12,161	79,547	820,092
Depreciation—total	*999,192*	*177,871*	*604,528*	*111,129*	*171,067*	*77,787*	*26,276*	*26,749*	*11,450*	*2,242,898*	*72,703*	*101,703*	*2,417,303*
Lease costs	76,517	5,569	55,765	15,711	36,793	11,976	2,064	3,052	1,865	212,381	38,818	68,370	319,570
Other	518,161	97,914	389,994	15,333	72,555	20,002	8,320	4,864	5,517	1,150,991	2,275	372	1,153,638
Non-salary expenditure, n.e.c.	1,015,230	238,582	686,555	111,558	147,243	40,862	15,554	66,348	40,538	2,523,285	1,290,257	413,199	4,226,740
Total non-salary expenditure	*9,604,941*	*1,479,804*	*6,411,456*	*1,406,462*	*1,622,779*	*570,638*	*161,466*	*324,534*	*172,272*	*22,194,165*	*1,999,673*	*1,382,563*	*25,576,401*
Total recurrent expenditure, excluding depreciation	**21,014,202**	**3,391,715**	**14,521,833**	**3,252,427**	**3,230,007**	**1,202,766**	**346,334**	**862,689**	**442,661**	**49,115,448**	**2,860,776**	**3,059,724**	**55,035,948**
Total recurrent expenditure, including depreciation	**22,013,394**	**3,569,585**	**15,126,361**	**3,363,556**	**3,401,075**	**1,280,553**	**372,610**	**889,438**	**454,111**	**51,358,345**	**2,933,478**	**3,161,427**	**57,453,251**

(a) Includes *Early parenting centres*, *Drug and alcohol* hospitals, *Same-day* hospitals, *Other acute specialised* hospitals, *Outpatient* hospitals and unpeered hospitals.

(b) Victorian data reported at the LHN level were attributed by the AIHW to the peer group of the 'major hospital' within each LHN, based on the amount of admitted patient activity.

(c) Total non-salary expenditure also includes administrative expenses, interest payments, depreciation, and other recurrent expenditure.

Note: See boxes 1.2, 4.3 and 4.4 for notes on data limitations and methods.

Source: NPHED.

4.4 How much was spent on different types of care in public hospitals?

This section presents information on estimates of the amount of public hospital expenditure that was for National Health Reform Agreement (NHRA) 2011 product streams in 2014–15. For the first time, estimates of public hospital recurrent expenditure were reported for:

- admitted patient care, including:
  - admitted acute care, including the care of unqualified newborns
  - admitted subacute care
  - other admitted care, including maintenance care
- non-admitted patient care, including:
  - emergency care services
  - non-admitted care (in-scope for NHRA)—services deemed to be in-scope of the NHRA
  - non-admitted care (out of scope for NHRA)—services deemed not to be in-scope of the NHRA
- direct teaching, training and research
- aged care, including:
  - Commonwealth funded aged care—Australian Government funded aged care patients (including residential aged care and Multi-Purpose Services)
  - other aged care—excluding Australian Government funded aged care patients
- other (out of scope for NHRA)—services not reported elsewhere.

A full description for each NHRA product stream is available in the AIHW's METeOR (METeOR identifier 540184).

How much was spent on different types of care in 2014–15?

In 2014–15, *Admitted patient care* accounted for about 57% of recurrent expenditure on public hospital services (Table 4.8). The proportion of total recurrent expenditure that was spent on *Admitted patient care* varied among jurisdictions, ranging from 43% for Western Australia to 75% for the Northern Territory.

Non-emergency *Non-admitted patient care* accounted for about 17% of recurrent expenditure and *Emergency services* accounted for about 10%. Expenditure on *Direct teaching, training and research* accounted for about 2% of total recurrent expenditure.

Table 4.8: Estimated recurrent expenditure ($'000) (including depreciation), by NHRA product streams, public hospital services, states and territories, 2014–15

	NSW[(a)]	Vic	Qld	WA	SA	Tas	ACT[(b)]	NT	Total
Admitted acute care	9,209,427	n.a.	5,034,446	3,307,324	2,572,371	666,594	625,255	600,224	n.a.
Admitted subacute care	1,059,342	n.a.	631,513	298,819	190,350	55,463	63,455	15,998	n.a.
Other admitted care	0	n.a.	364,222	61,528	0	13,300	0	0	n.a.
Admitted care–total	*10,268,769*	*7,818,454*	*6,030,181*	*3,667,671*	*2,762,721*	*735,358*	*688,710*	*616,223*	*32,588,086*
Emergency care services	2,493,819	815,905	1,156,410	706,921	305,252	40,035	55,069	91,392	5,664,802
Non-admitted care (in-scope for NHRA)	4,504,318	772,574	1,741,617	1,482,821	607,120	135,780	236,354	114,211	9,594,795
Non-admitted care (out of scope for NHRA)	0	0	248	40,853	21,264	0	47,939	0	110,305
Non-admitted care–total	*6,998,137*	*1,588,479*	*2,898,275*	*2,230,595*	*933,636*	*175,814*	*339,362*	*205,604*	*15,369,903*
Direct teaching, training and research	696,375	0	217,449	260,844	98,589	36,855	30,096	0	1,340,208
Commonwealth-funded aged care	0	0	0	78,187	0	7,702	7,214	0	93,103
Other aged care	150,719	234,012	0	32,610	0	533	0	0	417,874
Aged care–total	*150,719*	*234,012*	*0*	*110,796*	*0*	*8,235*	*7,214*	*0*	*510,976*
Other (out of scope for NHRA)	893,425	3,804,165	168,249	2,353,714	44,537	314,195	0	0	7,578,284
Total recurrent expenditure	**19,007,375**	**13,445,109**	**9,314,154**	**8,623,620**	**3,839,483**	**1,270,458**	**1,131,226**	**821,827**	**57,453,251**

(a) For New South Wales, the sum of expenditure on the NHRA product streams was about $50,000 more than total recurrent expenditure reported in Table 4.7.

(b) For the Australian Capital Territory, the sum of expenditure on the NHRA product streams was about $66 million less than total recurrent expenditure reported in Table 4.7. This is because recurrent expenditure on 'work in progress' (for example, patients who had not completed their episode of care at the end of the financial year) and for patients admitted within the emergency department were not allocated to NHRA product streams. In addition, NHRA product streams information was not available for an early parenting centre.

Source: NPHED, using data reported for the PHE NMDS and the LHN DSS.

5 How many people were employed in providing hospital services?

This chapter presents information on the number of full-time equivalent (FTE) staff employed in Australia's public hospitals (including those employed at the LHN or state/territory health authority) and in private hospitals in 2014–15, and over time.

Information on FTE staff (and average salaries) employed in providing public hospital services is sourced from the NPHED. Information on FTE staff in private hospitals is sourced from the ABS' *Private hospitals Australia, 2014–15* (ABS 2016).

Total FTE staff numbers (and average salaries) from all administrative levels in 2014–15 (public hospitals, LHNs and state/territory health authorities, combined) is presented by category of staffing. For each administrative level, the total FTE staff numbers are also presented.

The information in this chapter includes the:

- number of FTE staff, by staffing category for public hospital services and their average salaries, by state and territory, over time and for 2014–15
- number of FTE staff, by staffing category and public hospital peer group or other administrative level for 2014–15
- number of FTE staff for private hospitals for 2014–15.

Key findings

Staff in public hospitals

Nationally, about 302,000 FTE staff were employed in Australia's public hospitals in 2014–15, an increase of about 3.5% on average each year since 2010–11.

About 138,000 FTE *Nurses* accounted for 46% of public hospital staff, while more than 39,000 FTE *Salaried medical officers*, represented about 13% of the public hospital labour force. About 26% of *Salaried medical officers* were *Specialist salaried medical officers.*

More than 38% of FTE staff (127,000) in the public hospital sector were employed in *Principal referral* hospitals and about 27% in *Public acute group A* hospitals.

About 28,000 FTE staff were employed in providing public hospital services in LHNs and state/territory health authorities for New South Wales, Victoria, Western Australia and Tasmania. About 46% of these staff were *Administrative and clerical staff* (13,000).

Average salaries

The average salary for FTE *Nurses* employed in providing public hospital services across all jurisdictions in 2014–15 was about $93,900. In 2014–15, the average salary for FTE *Salaried medical officers* was about $187,500.

Staff in private hospitals

Nationally, more than 64,000 FTE staff were employed in Australia's private hospitals in 2014–15, including almost 36,000 *Nurses*.

5.1 How many staff provided public hospital services?

This section presents information on staff employed in providing public hospital services over time and for 2014–15.

Changes over time

Due to changes in both the scope of reporting, the information about staffing presented for 2014–15 is not comparable with the data presented for 2010–11 to 2013–14. See Box 5.1 for more information.

The numbers of FTE staff reported for the NPHED between 2010–11 and 2014–15 are shown in Table 5.1.

The rise in FTE staff between 2010–11 and 2014–15 is affected by changes in the provision of staffing information among jurisdictions, and over time. There was variation among states and territories in the administrative levels at which staffing information were reported (See Chapter 1 for more information). In addition:

- for 2014–15, FTE staff employed at all administrative levels were reported, whereas previously only staff employed in public hospitals (and their associated expenditure) were included
- Queensland reclassified 46 establishments as non-hospital services that accounted for about 460 FTE staff in 2013–14.

How many staff were employed in providing public hospital services in 2014–15?

Nationally, almost 302,000 FTE staff were employed in individual public hospitals in 2014–15, and a further 28,000 (for New South Wales, Victoria, Western Australia and Tasmania) were employed at the LHN level or state/territory health authority level (Table 5.2). However, it is not possible to determine how many staff were employed at the LHN level or at the state/territory health authority level for Queensland (because the data were not available) and for Victoria, the Australian Capital Territory and the Northern Territory (because the data were not provided at the different administrative levels). See Table 1.1 for more information on the comparability of staffing information provided for the NPHED.

The 140,000 *Nurses* accounted for 42% of staff employed in providing public hospital services. About 138,000 FTE *Nurses* were employed at the hospital level (includes LHN level data for Victoria, as LHN level reporting in Victoria is likely to be equivalent to the combination of hospital level and LHN level reporting for other jurisdictions), and these accounted for 46% of public hospital staff.

Overall, there were almost 42,000 FTE *Salaried medical officers*, who represented about 13% of staff employed in providing public hospital services. About 26% of *Salaried medical officers* were *Specialist salaried medical officers.* About 39,000 FTE *Salaried medical officers* were employed at the hospital level, and these accounted for 13% of public hospital staff.

About 38% of FTE staff (127,200) employed in providing public hospital services were employed in *Principal referral* hospitals, including about 56,000 FTE *Nurses* (Table 5.3). About 27% of FTE staff were employed in *Public acute group A* hospitals.

The proportion of FTE staff that was *Nurses* ranged from 44% in *Principal referral* hospitals and *Women's and children's* hospitals to 55% in *Psychiatric* hospitals.

About 49% of FTE staff employed at state/territory health authority level and 39% of FTE staff employed at the LHN level were *Administrative and clerical staff*.

Box 5.1: What are the limitations of the data on staffing?

Staffing information for public hospitals for 2010–11 to 2013–14 was largely staff employed by individual hospitals, and did not include all staff employed by state or territory governments for the provision of public hospital services.

For 2014–15, staffing information reported to the NPHED includes FTE staff reported for public hospitals, for LHNs and for state/territory health authorities. For more information, see Chapter 1 'Data reported for the public hospital administrative levels', Table 1.1 and boxes 1.1 and 1.2. In addition:

- For 2014–15, the purpose of reporting staff employed in providing public hospital services by public hospital peer group in this report, the AIHW assigned the staffing information provided by Victoria at LHN level to the 'major hospital' in the LHN—identified as the hospital with the greatest amount of admitted patient activity in the LHN.
- For Western Australia, staffing information and associated salaries for 2 private hospitals delivering public hospital services were estimated.
- For South Australia, all public hospital salaries for administrative, clerical, domestic and other personal care staff were estimated. However, total salary expenditure was actual (not estimated) for South Australian public hospitals.
- Staffing information and associated salaries for all Tasmanian hospitals were estimated.

The collection of data by staffing category for public hospitals was not consistent among states and territories—for some jurisdictions, best estimates were reported for some staffing categories (see Appendix A). There was variation in the reporting of *Diagnostic and allied health professionals, Administrative and clerical staff* and *Domestic and other personal care staff*.

Different reporting practices and the use of outsourcing services with a large labour-related component (such as food services, domestic services and information technology) can have a substantial impact on staffing figures and may also explain some of the variation in average salaries reported between jurisdictions. The degree of outsourcing of higher paid versus lower paid staffing functions affects the comparison of averages. For example, outsourcing the provision of domestic services but retaining domestic service managers to oversee the activities of the contractors tends to result in higher average salaries for the domestic service staff.

Information was not available on numbers of visiting medical officers who were contracted by public hospitals to provide services to public patients and paid on a sessional or fee-for-service basis in public hospitals.

Table 5.1: Average full-time equivalent staff[a], by staffing category, public hospital services, 2010–11 to 2014–15

	2010–11[b]	2011–12[b]	2012–13[c]	2013–14[b][d]	2014–15[e]
Total salaried medical officers					
Public hospital	26,117	27,498	28,295	29,834	39,493
Local hospital network	6,397	6,795	6,829	7,251	383
State/territory health authority	n.a.	n.a.	n.a.	n.a.	2,112
Total salaried medical officers	*32,514*	*34,293*	*35,124*	*37,086*	*41,988*
Total nurses					
Public hospital	95,771	99,157	100,446	104,459	137,640
Local hospital network	23,355	24,211	24,138	25,940	2,135
State/territory health authority	n.a.	n.a.	n.a.	n.a.	438
Total nurses	119,126	123,368	124,584	130,399	140,213
Diagnostic and allied health professionals					
Public hospital	26,568	26,660	28,145	29,917	41,934
Local hospital network	10,425	10,515	10,609	11,157	1,980
State/territory health authority	n.a.	n.a.	n.a.	n.a.	2,184
Total diagnostic and allied health professionals	*36,993*	*37,175*	*38,753*	*41,074*	*46,098*
Administrative and clerical staff[f]					
Public hospital	32,739	33,565	34,155	35,060	47,738
Local hospital network	8,334	8,774	8,684	9,277	3,520
State/territory health authority	n.a.	n.a.	n.a.	n.a.	9,569
Total administrative and clerical staff	*41,073*	*42,339*	*42,839*	*44,336*	*60,828*
Domestic and other staff					
Public hospital	28,839	28,443	28,233	28,877	35,456
Local hospital network	5,082	5,232	5,169	5,464	1,015
State/territory health authority	n.a.	n.a.	n.a.	n.a.	4,836
Total domestic and other staff	*33,921*	*33,675*	*33,403*	*34,341*	*41,306*
All staff					
Public hospital	**210,033**	**215,323**	**219,274**	**228,147**	**302,261**
Local hospital network	**53,593**	**55,527**	**55,429**	**59,089**	**9,033**
State/territory health authority	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**19,138**
Total staff	**263,626**	**270,851**	**274,703**	**287,236**	**330,433**

(a) Where average full-time equivalent staff numbers were not available, staff numbers at 30 June 2015 were used. Staff contracted to provide products (rather than labour) are not included.

(b) For 2010–11 to 2013–14, Victorian staffing information reported at the public hospital level and the LHN level did not include staff employed at the LHN level or state health authority level.

(c) For 2012–13, staffing data were missing for 3 public hospitals in Queensland, which reported about 3,700 full-time equivalent staff in 2013–14.

(d) For 2013–14, data for 2 small hospitals in Tasmania were not supplied.

(e) For 2014–15, staff employed in providing public hospital services at the LHN level or state health authority level were included for the first time (excludes Queensland, for which the data were not available). In addition, for Victoria, the Australian Capital Territory and the Northern Territory the data were not provided at the different administrative levels. Therefore, the staff numbers reported for 2014–15 are not comparable with earlier years. See table 1.1 for more information on the comparability of staffing information among states and territories.

(f) Administrative and clerical staff may include staff working to support clinicians, such as ward clerks.

Note: See Table 1.1 and boxes 1.2 and 5.1 for notes on data limitations.

Source: NPHED.

Where to go for more information:

More information on health workforce is available at <www.aihw.gov.au/workforce/>.

Information on data limitations and methods is available in appendixes A and B.

Table 5.2: Average full-time equivalent staff[a], by staffing category, public hospital services, states and territories, 2014–15

	NSW[b]	Vic[c]	Qld	WA	SA	Tas[d]	ACT	NT	Total
All levels of reporting									
Specialist salaried medical officers	3,413	3,468	2,037	n.a.	908	332	263	556	10,977
Other salaried medical officers	8,978	6,497	6,106	6,165	2,099	574	592	n.a.	31,011
Total salaried medical officers	*12,391*	*9,964*	*8,143*	*6,165*	*3,007*	*906*	*855*	*556*	*41,988*
Registered nurses	n.a.	31,164	21,317	14,727	8,808	2,964	2,697	1,737	83,414
Enrolled nurses	n.a.	5,032	2,752	0	2,003	353	260	106	10,505
Student nurses	n.a.	30	51	0	50	0	0	0	131
Trainee nurses	n.a.	n.p.	n.p.	0	0	0	0	0	72
Total nurses	*46,087*	*36,298*	*24,120*	*14,727*	*10,861*	*3,317*	*2,957*	*1,846*	*140,213*
Diagnostic and allied health professionals	16,975	14,237	5,733	4,739	2,053	901	997	464	46,098
Administrative and clerical staff[e]	25,303	13,801	7,808	7,836	2,604	1,471	1,490	515	60,828
Domestic and other staff	13,586	9,573	7,915	5,237	2,551	1,398	452	595	41,306
Total	**114,342**	**83,874**	**53,718**	**38,703**	**21,076**	**7,992**	**6,751**	**3,976**	**330,433**
Administrative level									
Public hospital level[f]	*96,552*	*n.a.*	*53,718*	*29,635*	*21,076*	*6,679*	*6,751*	*3,976*	*218,387*
Local hospital network level[g]	*2,196*	*83,462*	*n.a.*	*5,524*	*n.a.*	*1,313*	*n.a.*	*n.a.*	*92,496*
State/territory health authority level[h]	*15,594*	*412*	*n.a.*	*3,544*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*19,550*

(a) Where average FTE staff numbers were not available, staff numbers at 30 June 2015 were used. Staff contracted to provide products (rather than labour) are not included.

(b) For New South Wales *Other personal care staff* are included in *Diagnostic and allied health professionals* and *Domestic and other staff*.

(c) For Victoria, *Other personal care staff* were included in *Domestic and other staff*.

(d) For Tasmania, data for *Other personal care staff* were not supplied separately and are included in other staffing categories.

(e) *Administrative and clerical staff* may include staff working to support clinicians, such as ward clerks.

(f) The total at *Public hospital level* does not include Victorian staff employed in public hospitals. It includes staff employed at the LHN level and at *State/territory health authority level* for South Australia, the Australian Capital Territory and the Northern Territory.

(g) The total at *Local hospital network level* includes Victorian staff employed in public hospitals and at the state health authority level. It does not include staff employed at the LHN level for Queensland, South Australia, the Australian Capital Territory and the Northern Territory.

(h) The total at *State/territory health authority level* does not include staff employed at the LHN level for Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

Note: See Table 1.1 and boxes 1.2 and 5.1 for notes on data limitations.

Source: NPHED.

Table 5.3: Average full-time equivalent staff[(a)], by staffing category and public hospital peer group/other administrative level, public hospital services, 2014–15

	Principal referral	Women's and children's	Public acute group A	Public acute group B	Public acute group C	Public acute group D	Very small	Psychiatric	Subacute and non-acute	All public hospitals	Local hospital network[(b)]	State/ territory health authority	Total
Specialist salaried medical officers	5,703	998	3,014	398	137	20	2	140	71	10,666	58	253	10,977
Other salaried medical officers	13,559	2,220	9,511	2,016	663	240	12	266	80	28,819	325	1,867	31,011
Total salaried medical officers	*19,262*	*3,217*	*12,525*	*2,414*	*800*	*259*	*14*	*406*	*151*	*39,485*	*383*	*2,120*	*41,988*
Total nurses	*55,552*	*8,886*	*42,194*	*9,495*	*9,956*	*4,198*	*1,405*	*3,115*	*1,381*	*137,623*	*2,135*	*455*	*140,213*
Diagnostic and allied health professionals	19,924	2,857	11,607	1,938	2,060	534	90	678	628	41,723	1,980	2,394	46,098
Administrative and clerical staff[(c)]	20,402	3,713	13,916	2,841	3,137	1,070	282	909	342	47,568	3,520	9,739	60,828
Domestic and other personal care staff	12,255	1,387	10,210	2,753	4,258	2,321	899	602	376	35,450	1,015	4,841	41,306
Total	**127,396**	**20,060**	**90,451**	**19,440**	**20,211**	**8,382**	**2,690**	**5,711**	**2,878**	**301,850**	**9,033**	**19,550**	**330,433**

(a) Where average FTE staff numbers were not available, staff numbers at 30 June 2015 were used. Staff contracted to provide products (rather than labour) are not included.

(b) Victorian staffing information reported at the LHN level was attributed by the AIHW to the peer group of the 'major public hospital' within each LHN, based on the amount of admitted patient activity.

(c) *Administrative and clerical staff* may include staff working to support clinicians, such as ward clerks.

Note: See boxes 1.2 and 5.1 for notes on data limitations.

Source: NPHED.

5.2 What was the average salary for staff providing public hospital services?

This section presents information on average salaries for FTE staff providing public hospital services in 2014–15, and over time for staff employed in public hospitals.

Changes over time

This section presents changes over time in average salary for staff employed in the provision of public hospital services. For 2014–15, the data presented include (for some states and territories) FTE staff employed at the LHN level and at state/territory health authority level.

The average salaries reported for the NPHED between 2010–11 and 2014–15 are shown in Table 5.4.

Changes in average salary for staff employed in public hospitals between 2010–11 and 2014–15 are affected by changes in the provision of staffing information and information about recurrent expenditure on salary and wages among jurisdictions.

Therefore, these data should be interpreted with caution. See Box 5.1 for more information.

Table 5.4: Average salaries ($, current prices), for FTE staff employed in providing public hospital services, 2010–11 to 2014–15

	2010–11	2011–12	2012–13	2013–14	2014–15[(a)]
Total salaried medical officers	170,009	181,950	182,609	188,493	187,548
Total nurses	83,705	89,235	89,971	91,232	93,905
Diagnostic and allied health professionals	77,112	80,094	79,961	83,622	105,959
Administrative and clerical staff[(b)]	60,715	66,205	68,122	70,235	73,065
Domestic and other personal care staff	62,310	62,868	63,209	62,478	58,926
Overall average salary	**87,089**	**92,841**	**93,742**	**96,023**	**99,277**

(a) For 2014–15, staff employed in providing public hospital services (and their associated salaries) at the LHN level or state health authority level were included for the first time. Therefore, the average salaries reported for 2014–15 are not comparable with earlier years.

(b) *Administrative and clerical staff* may include staff working to support clinicians, such as ward clerks.

Note: See boxes 1.2 and 5.1 for notes on data limitations.

Source: NPHED, data reported for the PHE NMDS and the LHN DSS were used.

What were the average salaries for staff employed in providing public hospital services in 2014–15?

In 2014–15, the overall average FTE salary for staff employed in providing in public hospital services ranged from around $93,600 in Victoria to over $122,900 in the Northern Territory (Table 5.5).

The average salary for FTE *Nurses* ranged from around $86,800 in Victoria to about $115,400 in the Northern Territory. For FTE *Salaried medical officers*, the average salary ranged from about $162,400 in New South Wales to $246,400 in the Northern Territory.

For 2014–15, there was variation in the average salaries reported across administrative levels. For example, the average salary for staff reported was:

- $102,006 at the hospital level
- $94,585 at the LHN level
- $90,991 at the state/territory health authority level.

Differences in the average salary across administrative levels may reflect the different mix of staff employed at each administrative level.

Table 5.5: Average salaries ($), full-time equivalent staff[(a)], public hospital services, states and territories, 2014–15

	NSW[(b)]	Vic[(c)]	Qld	WA[(d)]	SA	Tas[(e)]	ACT	NT[(f)]	Total
All levels of reporting									
Specialist salaried medical officers	292,564	338,424	374,347	n.a.	368,755	332,778	372,847	n.a.	333,758[(g)]
Other salaried medical officers	112,891	120,625	142,430	n.a.	126,310	143,031	120,455	n.a.	124,183[(g)]
Salaried medical officers-total	*162,379*	*196,420*	*200,455*	*190,468*	*199,513*	*212,531*	*198,091*	*246,397*	*187,548*
Registered nurses	n.a.	88,868	101,000	105,255	96,125	96,197	99,002	117,728	96,817
Enrolled nurses	n.a.	74,677	74,394	. .	71,737	76,935	65,107	80,314	73,938
Student nurses	n.a.	58,528	74,128	. .	52,335	. .	. .	. .	62,349
Trainee nurses-total	n.a.	66,703	n.p.	. .	. .	. .	. .	. .	66,927
Nurses	*93,338*	*86,832*	*97,908*	*105,252*	*91,422*	*94,150*	*96,027*	*115,388*	*93,909*
Diagnostic and allied health professionals	122,474	84,489	101,126	129,202	91,905	98,677	87,429	98,997	105,959
Administrative and clerical staff[(h)]	69,089	72,368	76,461	84,532	80,117	68,401	56,586	86,831	73,068
Domestic and other staff	54,559	56,195	63,555	70,508	46,772	57,628	77,134	80,722	58,931
Overall average salary	**95,171**	**93,577**	**105,618**	**112,861**	**100,092**	**96,951**	**97,714**	**122,909**	**99,280**
Administrative level									
Public hospital level	*95,725*	*n.a.*	*105,618*	*116,451*	*100,092*	*97,718*	*97,714*	*122,909*	*102,010*
Local hospital network level	*84,603*	*93,633*	*n.a.*	*113,292*	*n.a.*	*93,050*	*n.a.*	*n.a.*	*94,585*
State/territory health authority level	*93,231*	*82,104*	*n.a.*	*82,168*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*90,991*

(a) Where average FTE staff numbers were not available, staff numbers at 30 June 2015 were used. Staff contracted to provide products (rather than labour) are not included.

(b) For New South Wales *Other personal care staff* are included in *Diagnostic and allied health professionals* and *Domestic and other staff*.

(c) For Victoria, *Other personal care staff* were included in *Domestic and other staff*.

(d) For Western Australia, the average salaries for *Specialist salaried medical officers* and *Other salaried medical officers* are not available as Western Australia reported all salaried medical officers combined.

(e) For Tasmania, data for *Other personal care staff* were not supplied separately and are included in other staffing categories.

(f) For the Northern Territory, the average salaries for *Specialist salaried medical officers* and *Other salaried medical officers* are not available as the Northern Territory reported all salaried medical officers combined.

(g) The total average salaries for *Specialist salaried medical officers* and *Other salaried medical officers* do not include salaries for these categories in Western Australia or the Northern Territory.

(h) *Administrative and clerical staff* may include staff working to support clinicians, such as ward clerks.

(i) The total at *Public hospital level* does not include Victorian staff employed in public hospitals. It includes staff employed at the LHN level and at State/territory health authority level for South Australia, the Australian Capital Territory and the Northern Territory.

(j) The total at *Local hospital network level* includes Victorian staff employed in public hospitals and at the state health authority level. It does not include staff employed at the LHN level for Queensland, South Australia, the Australian Capital Territory and the Northern Territory.

(k) The total at *State/territory health authority level* does not include staff employed at the LHN level for Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

Note: See Table 1.1 and boxes 1.2 and 5.1 for notes on data limitations.

Source: NPHED.

5.3 How many staff worked in private hospitals in 2014–15?

Information on the staff employed in Australian private hospitals in 2014–15 was published in *Private hospitals Australia 2014–15* (ABS 2016), which found that:

- between 2010–11 and 2014–15, the number of FTE staff in private hospitals rose by 2.5% on average each year
- the number of FTE staff in private hospitals rose by 3.2% from 62,400 FTEs in 2013–14 to 64,400 in 2014–15.

In 2014–15:

- 93% of private hospital staff (60,000 FTEs) worked in private hospitals not specialising in same-day care.
- 1,200 FTEs for *Salaried medical professionals* were reported by private hospitals. As a proportion of all staff employed by private hospitals, *Salaried medical professionals* made up 2% of FTE staff in both private free-standing day hospital facilities and private hospitals not specialising in same-day care.
- 36,000 FTE *Nurses* were reported by private hospitals. As a proportion of all staff employed by private hospitals, *Nurses* made up 52% of FTE staff in private free-standing day hospital facilities and 56% of FTE staff in other private hospitals.
- For private free-standing day hospital facilities, other staff included:
  - *Administrative and clerical staff* (26% of FTE staff)
  - *Diagnostic and allied health staff* (8%)
  - *Clinical support staff* (7%)
  - *Domestic and other staff* (4%).
- For other private hospitals, other staff included:
  - *Domestic and other staff* (15% of FTE staff)
  - *Administrative and clerical staff* (14%)
  - *Clinical support staff* (7%)
  - *Diagnostic and allied health professionals* (6%).

Where to go for more information:

More information on private hospitals is available in the ABS' report *Private hospitals Australia 2014–15* at <www.abs.gov.au/ausstats/abs@.nsf/mf/4390.0>.

Appendix A: Database quality statement summary

This appendix includes a data quality summary and additional information relevant to interpreting the National Public Hospital Establishments Database (NPHED).

This appendix also contains information on changes that may affect interpreting the data presented in this report, including variations in reporting and in the categorisation of hospitals as public or private.

A complete data quality statement for the NPHED is available online at <meteor.aihw.gov.au>.

Information relevant to interpretation of the ABS' *Private hospitals Australia* (ABS 2016) is available on the ABS website at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4390.0>.

National Public Hospital Establishments Database

For 2014–15, the National Public Hospital Establishments Database (NPHED) is based on the Public hospital establishments National Minimum Data Set (PHE NMDS) and the Local hospital network Data Set Specification (LHN DSS).

Public hospital establishments National Minimum Data Set

The PHE NMDS is defined in the *National health data dictionary*, versions 16, 16.1 and 16.2 (AIHW 2012, 2015f, 2015g) and in the AIHW's METeOR (METeOR identifier 540101).

The purpose of the PHE NMDS is to collect information on the characteristics of public hospitals. Information is included on hospital resources (beds, staff and specialised services), recurrent expenditure (including depreciation) and revenue.

The scope of the PHE NMDS is establishment-level data for public acute and psychiatric hospitals, and alcohol and drug treatment centres.

The NPEHD holds establishment-level data based on the PHE NMDS for each public hospital in Australia, including public acute hospitals, psychiatric hospitals, drug and alcohol hospitals and dental hospitals in all states and territories. Hence, public hospitals not administered by the state and territory health authorities (hospitals operated by correctional authorities for example, and hospitals located in offshore territories) are not included. The collection does not include data for private hospitals.

The reference period for this data set is 1 July 2014 to 30 June 2015.

Local hospital network Data Set Specification

The LHN DSS is defined in the *National health data dictionary*, versions 16.1 and 16.2 (AIHW 2015f, 2015g) and in the AIHW's METeOR (METeOR identifier 555334).

The purpose of the LHN DSS is to collect information on revenue, recurrent expenditure, recurrent expenditure on contracted care and staffing information, at the level relevant to public hospital service management and/or provision, using the same specifications as defined for the PHE NMDS. In addition, the LHN DSS includes data elements to allow the reporting of capital expenditure.

The scope of the LHN DSS is:

- Local hospital networks
- all public hospital services that are managed by a state or territory health authority and are included in the General list of In-scope Public Hospital Services, which has been developed under the National Health Reform Agreement (2011).

Excluded from the LHN DSS scope are establishments which report to the PHE NMDS.

Local hospital networks are defined as those entities recognised as such by the relevant state or territory health authority.

The data reported for the LHN DSS are in addition to the data provided for the PHE NMDS. Where possible, information collected for both the PHE NMDS and the LHN DSS have been provided at the lowest level of reporting possible (for example, by hospital establishment), and is not duplicated at higher levels of reporting. For example, expenditure data reported at the state/territory health authority level does not include any data reported at the LHN level or at hospital level.

The NPEHD holds LHN level data and state/territory health authority level data based on the LHN DSS.

The reference period for this data set is 1 July 2014 to 30 June 2015.

Summary of key issues

- In 2014–15, the NPHED included all public hospitals. It also included LHN-level and state/territory health authority level reporting for all states and territories except Queensland.
- there was variation among states and territories in the administrative levels at which recurrent expenditure and staffing information were reported, including:
  - New South Wales reported this information for all 3 administrative levels.
  - Victoria reported information at the LHN level, and none at the public hospital level. Victoria previously reported this information at the network level for hospitals within networks that consisted of more than one hospital, and at the hospital level for LHNs that consisted of individual hospitals. LHN level reporting in Victoria is therefore likely to be equivalent to the combination of hospital level and LHN level reporting for other jurisdictions.
  - Queensland reported this information at the hospital level. Information on staffing, expenditure and revenue at the LHN level and state health authority level were not reported.
  - Western Australia reported this information for all 3 administrative levels.
  - South Australia reported recurrent expenditure and staffing information were reported at the hospital and state health authority levels include recurrent expenditure and staffing information for to the LHN level.
  - Tasmania reported this information at the hospital level and at LHN level. Information reported at the hospital and LHN levels include information attributable to the state health authority.

  - the Australian Capital Territory reported this information at the hospital level and data attributable to the LHN level and territory health authority level were included in the data provided at the hospital level.
  - the Northern Territory reported this information at the hospital level and data attributable to the LHN level and territory health authority level were included in the data provided at the hospital level.
- Differences in accounting, counting and classification practices across jurisdictions and over time may affect the comparability of these data. There was variation between states and territories in the reporting of recurrent expenditure, depreciation, available beds and staffing categories.
- The number of hospitals reported can be affected by administrative and/or reporting arrangements and is not necessarily a measure of the number of physical hospital buildings or campuses.
- Comparability of bed numbers can be affected by the range and types of patients treated by a hospital (casemix), with, for example, different proportions of beds being available for special and more general purposes.
- The collection of data by staffing category is not consistent among states and territories.
- The outsourcing of services with a large labour related component (such as food services and domestic services) can have a substantial impact on estimates of costs.
- Between 2013–14 and 2014–15, 46 Queensland establishments and 3 establishments in South Australia that were previously classified as hospitals were reclassified as non-hospital facilities, accounting for most of the resulting in a decrease in the national number of public hospitals. In addition, the Mater Children's Hospital and Royal Children's Hospital (both in Queensland) closed. A hospice in New South Wales and an aged care/rehabilitation facility in Victoria ceased reporting as separate campuses to the NPHED.
- For 2014–15, the Lady Cilento Children's Hospital (Queensland) and the Fiona Stanley Hospital (Western Australia) and the Ursula Frayne Centre (Victoria) opened. Rankin Park Hospital (New South Wales) commenced reporting as a separate campus, whereas its data were previously amalgamated with another hospital.
- Between 2011–12 and 2012–13, 5 small public hospitals were merged within parent campuses in Western Australia, and 2 small outpatient hospitals in Victoria closed.
- For 2012–13, Queensland was not able to provide complete data for 3 public hospitals in Brisbane. In 2013–14, these hospitals reported about $540 million in recurrent expenditure and about 3,700 full-time equivalent staff.
- In 2014–15, Tasmania reclassified a number of mental health, aged care and same-day beds in hospitals, resulting in an apparent increase of 103 beds between 2013–14 and 2014–15. After adjusting for this change in classification, Tasmania estimates that average available beds in Tasmanian hospitals increased by about 0.8% between 2013–14 and 2014–15 and did not increase between 2010–11 and 2014–15.
- *Revenue*, *Capital expenditure*, *Available beds for admitted contracted care* and *Recurrent expenditure on contracted care* are not reported in this publication. For 2014–15, not all jurisdictions were able to report these data, and the comparability of the data was not adequate for reporting.

Estimated data indicators

For 2014–15, estimated data indicators were included for the data element *Beds for admitted contracted care* and for each category in *Salary and wage expenditure*, *Non-salary expenditure* and *Revenue*. The estimated data indicators specify whether the information reported reflected actual data, or estimated data.

Table A1 presents an overview of the use of estimated data by states and territories in 2014–15.

At the public hospital level, estimated data for *Salary and wage expenditure*, *Non-salary expenditure* and *Revenue* were reported for 25 hospitals:

- For Tasmania, estimates for all data items were provided for all 23 public hospitals.
- For Western Australia, estimates for all data items (except *Beds for admitted contracted care*) were provided for the 2 private hospitals delivering public hospital services.

In addition:

- For South Australia, all public hospital salaries for administrative, clerical, domestic and other personal care staff were estimated. However, total salary expenditure was actual (not estimated) for South Australian public hospitals.
- At the local hospital network level, 3 LHNs had estimated data and 115 LHNs had actual data.

Table A1: Summary of data sourced from estimates, by category, states and territories, 2014–15

	NSW	Vic	Qld	WA[a]	SA	Tas	ACT	NT
Salary expenditure								
Specialist medical officers, nurses, diagnostic and allied health professionals	Actual	Actual	Actual	Actual	Actual	Estimate	Actual	Actual
Administrative, clerical, domestic and other personal care staff	Actual	Actual	Actual	Actual	Estimate	Estimate	Actual	Actual
Total	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Estimate*	*Actual*	*Actual*
Non-salary expenditure	Actual	Actual	Actual	Actual	Actual	Estimate	Actual	Actual
Total recurrent expenditure	Actual	Actual	Actual	Actual	Actual	Estimate	Actual	Actual
Revenue	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate[b]	Actual
Beds for admitted contracted care	Estimate	Not reported	Estimate	Actual	Actual	Estimate	Actual	Actual

(a) For Western Australia, 2 private hospitals delivering public hospital service provided estimates for all data items, except *Beds for admitted contracted care*.

(b) For the Australian Capital Territory, the use of estimates for revenue items varied by hospital. Actual figures were provided for some revenue items, and estimates for others.

Source: NPHED.

Public and private hospitals

There is some variation between jurisdictions as to whether hospitals that predominantly provide public hospital services, but are privately owned and/or operated, are reported as public or private hospitals. A list of such hospitals is in Table A2 with information on how each is reported. The categorisations listed are those used for this report; reports produced by other agencies may categorise these hospitals differently.

For example, Peel and Joondalup hospitals are private hospitals that predominantly treat public patients under contract to the Western Australian Department of Health. From 2006–07, two new reporting units (public hospitals) were created to cover the public health services of these two hospitals, whereas in previous years all activity was reported for the private hospitals.

The Hawkesbury District Health Service was categorised as a private hospital until 2002–03 and has been categorised as a public hospital in AIHW reports since 2003–04.

Lists of all public and private hospitals contributing to this report are in tables A.S1 and A.S2 accompanying this report online at <www.aihw.gov.au/hospitals>.

Table A2: Hospitals predominantly provide public hospital services that were privately owned and/or operated, 2014–15

Hospital	How reported
Hawkesbury District Health Service, NSW	Public hospital
Mildura Base Hospital, Vic	Public hospital
Mater Adult Hospital, Qld	Public hospital
Mater Mother's Hospital, Qld	Public hospital
Joondalup Health Campus, WA	Public hospital for services provided under contract and a private hospital for services provided to private patients
Peel Health Campus, WA	Public hospital for services provided under contract and a private hospital for services provided to private patients
McLaren Vale and Districts War Memorial Private Hospital, SA	Public hospital for services provided under contract and a private hospital for services provided to private patients
May Shaw District Nursing Centre, Tas	Public hospital
Toosey Hospital, Tas	Public hospital

Appendix B: Technical Appendix

This appendix covers:

- definitions and classifications used
- the presentation of data in this report
- analysis methods.

Definitions

If not otherwise indicated, data elements were defined according to the definitions in the *National health data dictionary,* versions 16, 16.1 and 16.2 (AIHW 2012, 2015f, 2015g) (summarised in the Glossary).

Data element definitions for the following National minimum data sets (NMDS) and Data set specifications (DSS) are also available online for:

- Public hospital establishments NMDS 2014–15 at <http://meteor.aihw.gov.au/content/index.phtml/itemId/540101>
- Local Hospital Networks DSS 2014–15 at <http://meteor.aihw.gov.au/content/index.phtml/itemId/555334>.

Geographical classification

Information on the location of public hospitals is reported to the NPHED. The remoteness area of each public hospital was determined based on its street address. Data on the remoteness area of hospitals are presented in chapters 2 and 3.

Data on geographical location of the hospital location are defined using the ABS's Australian Statistical Geography Standard (ASGS) Remoteness Structure 2011 (ABS 2011) which categorises geographical areas in Australia into remoteness areas, described in detail on the ABS website <www.abs.gov.au>. The classification is as follows:

- *Major cities* – for example: Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra and Newcastle
- *Inner regional* – for example: Hobart, Launceston, Wagga Wagga, Bendigo and Murray Bridge
- *Outer regional* – for example: Darwin, Moree, Mildura, Cairns, Charters Towers, Whyalla and Albany
- *Remote* – for example: Port Lincoln, Esperance, Queenstown and Alice Springs
- *Very remote* – for example: Mount Isa, Cobar, Coober Pedy, Port Hedland and Tennant Creek.

Australian Refined Diagnosis Related Groups

In this report, Australian Refined Diagnosis Related Groups (AR-DRG) sourced from the National Hospital Morbidity Database (NHMD) are used to measure the complexity of cases in hospitals (for example, counts of AR-DRGs for which a hospital reported at least 5 separations) and the clinical specialties that are provided by hospitals (for example, using Service Related Groups).

The AR-DRG is an Australian admitted patient classification system that provides a clinically meaningful way of relating the number and type of patients treated in a hospital (that is, its casemix) to the resources expected to be used by the hospital. This system categorises acute admitted patient episodes of care into groups with similar conditions and similar expected use of hospital resources, based on information in the hospital morbidity record.

The AR-DRG classification is partly hierarchical, with 23 Major Diagnostic Categories (MDCs), divided into *Surgical*, *Medical* and *Other* partitions, and then into 771 individual AR-DRGs (version 7.0).

The MDCs are mostly defined by body system or disease type, and correspond with particular medical specialties. In general, episodes are allocated to MDCs based on the principal diagnosis. Some episodes involving procedures that are particularly resource intensive may be assigned to the *Pre-MDC* category (AR-DRGs A01Z to A41B), irrespective of the principal diagnosis (including most organ and bone marrow transplants). Episodes that contain clinically atypical or invalid information are assigned *Error DRGs* (AR-DRGs 801A–801C and 960Z–963Z), even if they were allocated to an MDC (*Error DRGs* are included within the *Other* DRGs in the *Surgical*/*Medical*/*Other* DRG partition).

Episodes are assigned to AR-DRGs within MDCs, mainly based on the procedure codes (in the *Surgical* DRG partition) or the diagnosis codes (in the *Medical* DRG partition). Additional variables are also used for AR-DRG assignment, including the patient's age, complicating diagnoses/procedures and/or patient clinical complexity level, the length of stay, and the mode of separation.

AR-DRG versions

Following receipt of admitted patient care data from states and territories, the AIHW regrouped the data (using the mapping facility in the DRGroup™ software) to ensure that the same grouping method was used for all data. The AR-DRGs that resulted from this regrouping are reported here, and may differ slightly from the AR-DRGs derived by the states and territories.

For 2014–15, each separation in the NHMD was classified to AR-DRG versions 6.0x (DoHA 2010) and AR-DRG version 7.0 (NCCC 2012) based on the demographic and clinical characteristics of the patient.

Each AR-DRG version is based on a specific edition of the International Statistical Classification of Diseases and Related Health Problems 10th revision, Australian modification (ICD-10-AM) and the Australian Classification of Health Interventions (ACHI) (Table B1). However, AR-DRGs can be mapped from other ICD-10-AM/ACHI editions. In this report, AR-DRG version 7.0 was used in tables presenting counts of AR-DRGs for which a hospital reported at least 5 separations (see Chapter 3), and for tables presenting information on Service Related Groups (see Chapter 3 and Appendix D for more information).

Table B1: ICD-10-AM and AR-DRG versions, 2010–11 to 2014–15

Year	ICD-10-AM edition	Relevant AR-DRG version	AR-DRG version reported in *Australian hospital statistics*
2010–11[(a)]	Seventh edition	Version 6.0	Version 6.0
2011–12	Seventh edition	Version 6.0	Version 6.0x
2012–13	Seventh edition	Version 6.0x	Version 6.0x
2013–14[(b)]	Eighth edition	Version 7.0	Version 7.0
2014–15[(c)]	Eighth edition	Version 7.0	Version 7.0

(a) For *Australian hospital statistics 2010–11* in analyses where cost weights were required, AR-DRG version 5.2 Round 13 cost weights (2008–09) were applied to AR-DRG version 5.2.

(b) For *Admitted patient care 2013–14: Australian hospital statistics* in analyses where cost weights were required, AR-DRG version 6.0x Round 16 cost weights (2011–12) were applied to AR-DRG version 6.0x.

(c) For *Admitted patient care 2014–15: Australian hospital statistics* in analyses where cost weights were required, AR-DRG version 6.0x Round 17 cost weights (2012–13) were applied to AR-DRG version 6.0x.

Presentation of data

Throughout the publication, percentages may not add up to 100.0 because of rounding. Percentages and rates printed as 0.0 or 0 generally indicate a zero. The symbol '<0.1' has been used to denote less than 0.05 but greater than 0.

Suppression of data

The AIHW operates under a strict privacy regime which has its basis in Section 29 of the *Australian Institute of Health and Welfare Act 1987* (AIHW Act). Section 29 requires that confidentiality of data relating to persons (living and deceased) and organisations be maintained. The Privacy Act governs confidentiality of information about living individuals.

The AIHW is committed to reporting that maximises the value of information released for users while being statistically reliable and meeting legislative requirements described above.

Data (cells) in tables may be suppressed in order to maintain the privacy or confidentiality of a person or organisation, or because a proportion or other measure related to a small number of events and may therefore not be reliable.

Analysis methods

Counting activity

Counts of separations and patient days presented in Table 3.1 and in Appendix D were sourced from admitted patient care data provided for the NHMD for 2014–15.

Records for 2014–15 are for hospital separations (discharges, transfers, deaths or changes in care type) in the period from 1 July 2014 to 30 June 2015. Data on patients who were admitted on any date before 1 July 2014 are included, provided that they also separated between 1 July 2014 and 30 June 2015. A record is included for each separation, not for each patient, so patients who separated more than once in the year have more than one record in the NHMD.

Records for *Newborn* episodes without qualified days and records for *Hospital boarders* and *Posthumous organ procurement* were excluded from counts of separations. However, only

records for *Hospital boarders* and *Posthumous organ procurement* were excluded for analyses based on SRGs.

A patient day (or day of patient care) means an admitted patient occupied a hospital bed (or chair in the case of some same-day patients) for all or part of a day. The length of stay for an overnight patient is calculated by subtracting the date the patient is admitted from the date of separation and deducting days the patient was on leave. A same-day patient is allocated a length of stay of 1 day.

Patient day statistics can be used to provide information on hospital activity that, unlike separation statistics, account for differences in length of stay. As the database contains records for patients separating from hospital during the reporting period (1 July 2014 to 30 June 2015), this means that not all patient days reported will have occurred in that year. It is expected, however, that patient days for patients who separated in 2014–15, but who were admitted before 1 July 2014, will be counterbalanced overall by the patient days for patients in hospital on 30 June 2015 who will separate in future reporting periods.

Estimated resident populations

All populations are based on the estimated resident population as at 30 June preceding the reporting period (that is, for the reporting period 2014–15, the estimated resident population as at 30 June 2014 was used), drawn from the 2011 Census data.

Appendix C: Public hospital peer groups

This report uses the AIHW current peer group classification, developed by the AIHW in consultation with the Australian Hospital Statistics Advisory Committee and the Private Hospital Statistics Advisory Committee in 2013 and 2014 (AIHW 2015a).

A summary of the public hospital peer group classification is presented in Table C.1. The peer group to which each public hospital is assigned is included in Table AS.1 accompanying this report online.

Table C1: Public hospital peer groups, including number of public hospitals, 2014–15

Group	Description	Public hospitals
Acute public hospitals	**Are identified according to the hospital's service profile:**	
Principal referral hospitals	Provide a very broad range of services, including some very sophisticated services, and have very large patient volumes. Most include an intensive care unit, a cardiac surgery unit, a neurosurgery unit, an Infectious diseases unit and a 24-hour emergency department.	30
Public acute group A hospitals	Provide a wide range of services to a large number of patients and are usually in metropolitan centres or inner regional areas. Most have an intensive care unit and a 24-hour emergency department. They are among the largest hospitals, but provide a narrower range of services than *Principal referral* hospitals. They have a range of specialist units, potentially including bone marrow transplant, coronary care and oncology units.	62
Public acute group B hospitals	Most have a 24-hour emergency department and perform elective surgery. They provide a narrower range of services than *Principal referral* and *Public acute group A* hospitals. They have a range of specialist units, potentially including obstetrics, paediatrics, psychiatric and oncology units.	45
Public acute group C hospitals	These hospitals usually provide an obstetric unit, surgical services and some form of emergency facility. Generally smaller than the *Public acute group B* hospitals.	143
Public acute group D hospitals	Often situated in regional and remote areas and offer a smaller range of services relative to the other public acute hospitals (groups A-C). Hospitals in this group tend to have a greater proportion of non-acute separations compared with the larger acute public hospitals.	190
Very small hospitals	Generally provide less than 200 admitted patient separations each year.	122
Specialist hospital groups	**Perform a readily identified role within the health system**	
Women's and children's hospitals		
Children's hospitals	Specialise in the treatment and care of children.	5
Women's hospitals	Specialise in treatment of women.	6
Women's and children's hospitals	Specialise in the treatment of both women and children.	1
Early parenting centres	Specialise in care and assistance for mothers and their very young children.	8
Drug and alcohol hospitals	Specialise in the treatment of disorders relating to drug or alcohol use.	2

(continued)

Table C1 (continued): Public hospital peer groups, including number of public hospitals, 2014–15

Group	Description	Public hospitals
Psychiatric hospitals	Specialise in providing psychiatric care and/or treatment for people with a mental disorder or psychiatric disability.	
Psychogeriatric hospitals	Specialise in the psychiatric treatment of older people.	2
Child, adolescent and young adult psychiatric hospitals	Specialise in the psychiatric treatment of children and young people.	3
Acute psychiatric hospitals	Provide acute psychiatric treatment—mainly to the general adult population.	6
Subacute and non-acute psychiatric hospitals	Provide non-acute psychiatric treatment—mainly to the general adult population.	6
Forensic psychiatric hospitals	Provide assessment and treatment of people with a mental disorder and a history of criminal offending, or those who are at risk of offending.	3
Same day hospitals	Treat patients on a same-day basis. The hospitals in the same day hospital peer groups tend to be highly specialised.	
Mixed day procedure hospitals	Provide a variety of specialised services on a same day basis.	4
Other acute specialised hospitals	Specialise in a particular form of acute care, not grouped elsewhere. This group is too diverse to be considered a peer group for comparison purposes. It includes hospitals that specialise in the treatment of cancer, rheumatology, eye, ear and dental disorders.	3
Subacute and non-acute hospitals		
Rehabilitation and geriatric evaluation and management hospitals	Primarily provide rehabilitation and/or geriatric evaluation and management in which the clinical purpose or treatment goal is improvement in the functioning of a patient.	14
Mixed subacute and non-acute hospitals	Primarily provide a mixture of subacute (rehabilitation, palliative care, geriatric evaluation and management, psychogeriatric care) and non-acute (maintenance) care that is not covered by the hospitals in the rehabilitation and geriatric evaluation and management hospital peer group.	25
Outpatient hospitals	Provide a variety of non-admitted patient services. Generally do not admit patients.	8
Unpeered hospitals	Could not be placed in one of the other peer groups.	10
Total public hospitals		**698**

Appendix D: Service Related Groups

The Service Related Group (SRG) classification categorises admitted patient episodes into groups representing specialised clinical units or divisions of hospital activity, based on aggregations of AR-DRGs. SRGs can be used to help plan services, analyse and compare hospital activity, examine patterns of service needs and access, and project potential trends in services.

The AR-DRG classification was considered inappropriate for this purpose as it contains too many groups. Both the Major Diagnostic Categories (MDCs) and the *International statistical classification of diseases and related health problems, 10th revision, Australian modification* (ICD-10-AM) were also considered unsuitable as they generally relate to body systems rather than services.

Table D1 provides examples of how selected procedures are assigned to SRGs. These examples illustrate the differences between categorising procedures on the basis of ICD-10-AM chapters, MDCs and SRGs.

Table D1: Example of how selected procedures are assigned in different classifications

Procedure	ICD-10-AM	MDC	SRG
Extraction of wisdom teeth	Diseases of the digestive system	MDC 3: Ear, nose and throat	Dentistry
Endoscopic retrograde cholangiopancreatography	Diseases of the digestive system	MDC 6: Digestive system	Gastroenterology
Excision of haemorrhoids	Diseases of the digestive system	MDC 6: Digestive system	Colorectal surgery

This report uses SRG version 5.0, which assigns SRGs based on AR-DRG version 7.0, developed by the New South Wales Ministry of Health.

SRGs were allocated using the data in the NHMD. The method largely involves aggregations of AR-DRG information. However, the assignment of some separations to SRGs is based on other information, such as procedures, diagnoses and care types. Separations with non-acute care are allocated to separate SRG categories according to the type of care, because the main service type of these separations cannot be ascertained from their diagnoses or procedures.

For public hospitals, separations may have been assigned to the *Perinatology* SRG depending on whether or not the hospital had a specialist neonatal intensive care unit, as reported to the NPHED. For private hospitals, the *Perinatology* SRG was not assigned as the available data do not indicate whether the hospital had a specialist neonatal intensive care unit. Therefore, all private hospital *Newborns* with qualified days were assigned to *Qualified neonate*. An 'unallocated' SRG was assigned for separations with an *Error DRG*.

How much activity was there in 2014–15?

In Chapter 3, Table 3.8 presents the 20 most common specialised clinical units for public hospitals by remoteness area of hospital and by peer group. The number of specialised clinical units was based on the number of hospitals for which there were at least 360 patient days reported for the SRG. This appendix provides supplementary information on the level of activity for each SRG for public and private hospitals (measured using the number of separations and patient days).

Table D1 contains the number of separations and patient days in each SRG for public and private hospitals. *Renal dialysis* (SRG 23) had the largest number of separations in public hospitals (1.11 million). This was followed by *General medicine* (SRG 27) (453,000). In the private sector, *Diagnostic gastrointestinal* (SRG 16) recorded the highest number of separations (381,000), followed by *Orthopaedics* (SRG 49) (358,000).

Rehabilitation (SRG 84) recorded the highest number of patient days (1.96 million) in public hospitals, followed by *General medicine* (SRG 27) (1.53 million). For private hospitals, *Rehabilitation* (SRG 84) recorded the highest number of patient days (1.28 million), followed by *Orthopaedics* (SRG 49) (933,000).

Table D2: Separations[(a)] and patient days by Service Related Group based on AR-DRG version 7.0, public and private hospitals, 2014–15

	Public hospitals		Private hospitals	
Service Related Group	**Separations**	**Patient days**	**Separations**	**Patient days**
11 Cardiology	325,302	812,147	59,698	232,995
12 Interventional cardiology	75,177	243,300	82,455	183,461
13 Dermatology	24,124	57,089	4,436	14,085
14 Endocrinology	33,565	116,430	4,372	18,636
15 Gastroenterology	302,055	758,982	221,601	364,338
16 Diagnostic gastrointestinal	172,756	259,177	456,656	489,196
17 Haematology	144,740	420,281	77,057	161,589
18 Immunology and infections	37,325	82,560	17,485	21,650
20 Chemotherapy	174,032	174,045	266,261	266,275
21 Neurology	232,755	707,540	43,949	157,382
22 Renal medicine	35,674	131,400	30,417	59,476
23 Renal dialysis	1,108,541	1,108,744	244,121	244,121
24 Respiratory medicine	321,794	1,245,330	104,029	359,920
25 Rheumatology	32,049	83,741	32,862	50,017
26 Pain management	8,330	27,055	5,808	21,879
27 General medicine	451,961	1,524,600	102,581	379,351
41 Breast surgery	21,432	51,852	40,280	70,773
42 Cardiothoracic surgery	16,401	170,240	11,880	124,708
43 Colorectal surgery	38,521	249,301	31,988	146,914
44 Upper gastrointestinal surgery	83,366	316,304	49,523	144,643
46 Neurosurgery	63,672	347,261	48,915	269,368
47 Dentistry	23,027	25,024	100,997	101,232
48 Ear, nose and throat; head and neck	94,955	144,419	125,610	139,675
49 Orthopaedics	368,993	1,276,998	357,785	933,260
50 Ophthalmology	111,536	137,328	285,473	289,331
51 Plastic and reconstructive surgery	103,587	225,625	159,899	226,559
52 Urology	206,615	387,745	186,127	302,381
53 Vascular surgery	50,114	289,518	35,518	133,338
54 General surgery	289,371	724,385	129,138	283,858

(continued)

Table D2 (continued): Separations[(a)] and patient days by Service Related Group based on AR-DRG version 7.0, public and private hospitals, 2014–15

	Public hospitals		Private hospitals	
Service Related Group	**Separations**	**Patient days**	**Separations**	**Patient days**
61 Transplantation	1,308	22,814	16	146
62 Extensive burns	1,828	19,793	59	531
63 Tracheostomy and ventilation	9,274	269,183	1,033	32,939
71 Gynaecology	158,333	239,271	228,162	302,597
72 Obstetrics	335,907	840,917	94,249	388,373
73 Qualified neonate[(b)]	54,660	368,342	17,020	113,749
74 Unqualified neonate[(c)]	199,025	100,219	45,012	4
75 Perinatology	5,006	120,092	0	0
81 Drug and alcohol	84,722	271,182	38,030	167,761
82 Psychiatry/mental health - acute	139,572	1,485,580	144,793	735,209
83 Psychiatry/mental health - sub-acute	3,716	525,457	13	50
84 Rehabilitation	135,901	1,964,836	310,747	1,284,631
85 Psychogeriatric care	1,886	83,109	7,216	36,544
86 Palliative care	34,553	350,183	6,215	77,312
87 Maintenance	26,104	528,936	1,890	35,529
99 Unallocated	7,535	75,363	3,666	24,055
Total	**6,151,100**	**19,363,698**	**4,215,042**	**9,389,841**

(a) Separations exclude records for *Hospital boarders* and *Posthumous organ procurement*.

(b) All private hospital *Newborns* with qualified days were assigned to SRG 73 *Qualified neonate* as information about Neonatal intensive care units was not available for individual private hospitals.

(c) *Newborns* without qualified days are included, and are allocated to SRG 74 *Unqualified neonate*.

Source: NHMD.

Tables D.S1 to D.S5 (which accompany this report online) present more detailed SRG information for public and private hospitals, by state and territory. Table D.S1 contains the number of public hospitals that, in 2014–15, reported more than 50 separations or more than 360 patient days for each SRG by state and territory and remoteness area. This has been included as an indicative measure of the number of clinical service units.

The best indicative measure of the number of units varies between SRGs and between uses of the measure. For example, for *Maintenance* (SRG 87), 115 hospitals provided more than 50 separations per year and 223 hospitals provided more than 360 patient days (reflecting the longer lengths of stay associated with maintenance care), while for *Gastroenterology* (SRG 15) these measures were 355 and 223 hospitals respectively. *Cardiothoracic surgery* (SRG 42) showed very little difference between the 2 different measures, with 39 hospitals providing more than 50 separations per year and 40 hospitals providing more than 360 patient days.

General medicine (SRG 27) was provided by the greatest number of hospitals, with 446 hospitals with more than 50 separations per year and 394 hospitals with more than 360 patient days per year.

Appendix E: Additional public hospital accreditation information

This section includes analysis of the data provided for the NPHED for hospital accreditation for the first time in 2014–15.

For 2014–15, in addition to the 4 quality accreditation/certification standards that were collected before 2014–15, the NPHED included information about accreditation to the *National Safety and Quality Health Service (NSQHS) Standards*, as well as whether the hospital was *Accredited elsewhere* and the *Other quality accreditation/certification standard*.

Before 2014–15, accreditation information reported to the NPHED was based on whether the hospital was accredited to one of four accreditation standards:

- International Organization for Standardization ISO 9000 quality family
- Australian Council on Healthcare Standards
- Quality Improvement Council
- Australian Quality Council.

For 2014–15, accreditation information reported to the NPHED also included whether the hospital was accredited to the NSQHS Standards. However, the accreditation data provided for the NPHED were inconsistent with the data provided by the ACSQHC, and reporting was also inconsistent between jurisdictions, meaning the data were not suitable for comparative purposes.

Table E1 presents the numbers of hospitals reported against each accreditation standard in 2014–15, noting that:

- Victoria and the Northern Territory provided accreditation information against the NSQHS Standards only.
- Queensland and Tasmania provided accreditation information against the accrediting agency only.
- New South Wales and the Australian Capital Territory reported some hospitals against the NSQHS Standards only, and other hospitals against the accrediting agency only.

Hospitals accredited elsewhere

Table E1 also presents the number of hospitals that were reported as *Accredited elsewhere* in 2014–15. The types of accreditation reported in *Other quality accreditation/certification standard* included:

- National Association of Testing Authorities Australia, including :
  - Diagnostic Imaging Accreditation Scheme
  - Laboratory testing
  - Pathology
- Aged care standards (for example, with the Aged Care Standards Agency, Community West)
- National Food Safety Standards, Certified Food Safety Systems
- Baby Friendly Health Initiative
- Breast Screen Australia

- Accreditation with colleges, including:
  - Royal Australian College of General Practitioners
  - Royal Australian and New Zealand College of Radiologists
  - Royal Australian and New Zealand College of Obstetricians and Gynaecologists
- Australian General Practice Accreditation Limited.

Table E1: Number of accredited public hospitals, by accreditation standard reported to the NPHED, states and territories, 2014–15

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Australian Council on Healthcare Standards	102	0	104	89	75	4	1	0	375
International Organisation for Standardisation ISO 9000 quality family	0	0	32	2	1	0	0	0	35
Quality Improvement Council	0	0	14	3	0	3	1	0	21
Australian Quality Council	8	0	5	1	2	0	0	0	16
National Safety and Quality Health Service Standards	100	150	0	85	77	0	1	5	418
Accredited elsewhere[(a)]	4	0	0	50	29	n.a.	1	1	85
Total accredited hospitals[(b)]	*210*	*151*	*122*	*91*	*77*	*4*	*3*	*5*	*663*
Number of hospitals	**225**	**151**	**122**	**92**	**77**	**23**	**3**	**5**	**698**

(a) The specific standard was not reported in *Other quality accreditation/certification standard* for 3 in Western Australia and 2 hospitals in South Australia.

(b) The total number of hospital accredited does not equal the sum of the rows because a hospital may be accredited against more than one set of standards.

Source: NPHED.

Glossary

Some definitions in the Glossary contain an identification number from the Metadata Online Registry (METeOR). METeOR is Australia's central repository for health, community services and housing assistance metadata, or 'data about data'. It provides definitions for data for health and community services-related topics and specifications for related national minimum data sets. METeOR can be viewed at <www.aihw.gov.au>.

acquired immune deficiency syndrome (AIDS) unit: A specialised facility dedicated to the treatment of AIDS patients. METeOR identifier: 270448.

activity-based funding: A method of funding health services based on the amount and type of activity. METeOR identifier: 496325.

acute care hospital: See **establishment type**.

acute renal dialysis unit: A specialised facility dedicated to dialysis of renal failure patients requiring acute care. METeOR identifier: 270435.

acute spinal cord injury unit: A specialised facility dedicated to the initial treatment and subsequent ongoing management and rehabilitation of patients with acute spinal cord injury, largely conforming to Australian Health Minister's Advisory Council guidelines for service provision. METeOR identifier: 270432.

administrative and clerical staff: Staff engaged in administrative and clerical duties. Medical staff and nursing staff, diagnostic and health professionals and any domestic staff primarily or partly engaged in administrative and clerical duties are excluded. Civil engineers and computing staff are included in this category. See **full time equivalent staff**.

administrative expenditure: The expenditure incurred by establishments (but not central administrations) of a management expenses/administrative support nature, such as any rates and taxes, printing, telephone, stationery and insurance (including workers compensation). METeOR identifier: 270107.

administrative expenses-insurance: Expenditure incurred by establishments for the purposes of insurance (excluding workers' compensation premiums and medical indemnity). See **non-salary expenditure**.

admitted acute care expenditure: Expenditure incurred by an establishment for admitted patients receiving acute care, including expenditure associated with the care of unqualified newborns (reported under the mother's episode of care). See **National Health Reform Agreement (NHRA) 2011 product streams**.

admitted patient: A patient who undergoes a hospital's admission process to receive treatment and/or care. This treatment and/or care is provided over a period of time and can occur in hospital and/or in the person's home (for **hospital-in-the-home** patients). METeOR identifier: 268957.

admitted subacute care expenditure: Expenditure incurred by an establishment for admitted patients receiving subacute care. See **National Health Reform Agreement (NHRA) 2011 product streams**.

alcohol and drug treatment centre: See **establishment type**.

Australian Refined Diagnosis Related Groups (AR-DRGs): An Australian system of diagnosis related groups (DRGs). DRGs provide a clinically meaningful way of relating the number and type of patients treated in a hospital (that is, its **casemix**) to the resources required by the hospital. Each AR-DRG represents a class of patients with similar clinical conditions requiring similar hospital services.

average available beds for admitted contracted care: The number of beds available to care for admitted patients that an establishment provides via contractual arrangements with private hospitals. METeOR identifier: 552334.

average available beds for overnight-stay patients: The number of beds available to provide overnight accommodation for patients (other than neonatal cots (non-special-care) and beds occupied by **hospital-in-the-home** patients), averaged over the counting period. METeOR identifier: 374151.

average available beds for same-day patients: The number of beds, chairs or trolleys available to provide accommodation for same-day patients, averaged over the counting period. METeOR identifier: 373966.

average length of stay: The average number of patient days for admitted patient episodes. Patients admitted and separated on the same date are allocated a length of stay of 1 day.

block-funding: A method of funding health services for which activity-based funding is not applicable due to low volumes, the absence of 'economies of scale' or the inability to satisfy the technical requirements of activity-based funding (IHPA 2014).

burns unit (level III): A specialised facility dedicated to the initial treatment and subsequent rehabilitation of severely injured burns patient (usually more than 10 % of the patient's body surface affected). METeOR identifier: 270438.

capital expenditure: Expenditure on large-scale fixed assets (for example, new buildings and equipment with a useful life extending over a number of years).

cardiac surgery unit: A specialised facility dedicated to operative and peri-operative care of patients with cardiac disease. METeOR identifier: 270434.

care type: Defines the overall nature of a clinical service provided to an admitted patient during an episode of care (admitted care), or the type of service provided by the hospital for boarders or posthumous organ procurement (care other than admitted care). METeOR identifier: 491557.

casemix: The range and types of patients (the mix of cases) treated by a hospital or other health service. Casemix classifications (such as **AR-DRGs**) provide a way of describing and comparing hospitals and other services for management purposes.

clinical genetics unit: A specialised facility dedicated to diagnostic and counselling services for clients who are affected by, at risk of, or anxious about genetic disorders. METeOR identifier: 270444.

Commonwealth funded aged care expenditure: Expenditure incurred by an establishment for Australian Government funded aged care patients (including residential aged care and Multi-Purpose Services). See **National Health Reform Agreement (NHRA) 2011 product streams**.

comprehensive epilepsy centre: A specialised facility dedicated to seizure characterisation, evaluation of therapeutic regimes, pre-surgical evaluation and epilepsy surgery for patients with refractory epilepsy. METeOR identifier: 270442.

constant prices: Constant price expenditure adjusts current prices for the effects of inflation, that is, it aims to remove the effects of inflation. Hence, expenditures in different years can be compared on a dollar–for–dollar basis, using this measure of changes in the volume of health goods and services.

contracted care expenditure: Expenditure on the provision of contracted care by private hospitals incurred by an establishment. METeOR identifier: 552596.

coronary care unit: A specialised facility dedicated to acute care services for patients with cardiac diseases. METeOR identifier: 270433.

current prices: Expenditures reported for a particular year, unadjusted for inflation.

deflator: a deflator is a value (or a set of values) that adjusts **current prices** for the effects of inflation, resulting in **constant prices,** in terms of some base period.

depreciation: Depreciation represents the expensing of a long-term asset over its useful life. METeOR identifier: 269721.

depreciation-building: Building depreciation includes depreciation charges for buildings and fixed fit-out such as items fitted to the building (for example, lights and partitions). See **non-salary expenditure**.

diabetes unit: A specialised facility dedicated to the treatment of diabetics. METeOR identifier: 270449.

diagnostic and allied health professionals: Qualified staff (other than qualified medical and nursing staff) engaged in duties of a diagnostic, professional or technical nature (but also including diagnostic and health professionals whose duties are primarily or partly of an administrative nature). This category includes all allied health professionals and laboratory technicians (but excludes civil engineers and computing staff). See **full time equivalent staff**.

direct teaching, training and research expenditure: Expenditure incurred by an establishment for direct teaching, training and research. See **National Health Reform Agreement (NHRA) 2011 product streams**.

domestic and other staff: Staff engaged in the provision of food and cleaning services including those primarily engaged in administrative duties such as food services manager. Dieticians are excluded. This category also includes all staff not elsewhere included (primarily maintenance staff, trades people and gardening staff). See **full time equivalent staff**.

domestic services expenditure: The cost of all domestic services, including electricity, other fuel and power, domestic services for staff, accommodation and kitchen expenses, but not including salaries and wages, food costs or equipment replacement and repair costs. METeOR identifier: 270283.

domiciliary care service unit: A facility dedicated to the provision of nursing or other professional paramedical care or treatment and non-qualified domestic assistance to patients in their own homes or in residential institutions not part of the establishment. METeOR identifier: 270430.

drug and alcohol unit: A facility/service dedicated to the treatment of alcohol and drug dependence. METeOR identifier: 270431.

drug supplies expenditure: The cost of all drugs, including the cost of containers. METeOR identifier: 270282.

elective surgery: Elective care where the procedures required by patients are listed in the surgical operations section of the Medicare Benefits Schedule, with the exclusion of specific procedures frequently done by non-surgical clinicians. METeOR identifier: 327226.

emergency care services expenditure: Expenditure incurred by an establishment on non-admitted patients receiving care through emergency care services. Excludes admitted patients receiving care through the emergency department. See **National Health Reform Agreement (NHRA) 2011 product streams**.

enrolled nurses: Nurses who are second level nurses and enrolled in all states except Victoria where they are registered by the state registration board to practise in this capacity. Includes general enrolled nurses and specialist enrolled nurses (for example, mothercraft nurses in some states). See **full time equivalent staff**.

establishment type: Type of establishment (defined in terms of legislative approval, service provided and patients treated) for each separately administered establishment. METeOR identifier: 269971.

estimated data indicator: An indicator of whether data relating to an establishment have been estimated. METeOR identifier: 548891. See **average available beds for admitted contracted care**, **non-salary expenditure**, **revenue** and **salary expenditure**.

food supplies expenditure: Expenditure incurred by establishments on all food and beverages but not including kitchen expenses such as utensils, cleaning materials, cutlery and crockery. METeOR identifier: 270284.

full-time equivalent staff: Full-time equivalent staff units are the on-the-job hours paid for (including overtime), and hours of paid leave of any type for a staff member (or contract employee where applicable), divided by the number of ordinary-time hours normally paid for a full-time staff member when on-the-job (or contract employee where applicable) under the relevant award or agreement for the staff member (or contract employee occupation where applicable). The staffing categories are:

- specialist salaried medical officers
- other salaried medical officers
- registered nurses
- enrolled nurses
- student nurses
- trainee/pupil nurses
- diagnostic and health professionals
- administrative and clerical staff
- domestic and other staff
- other personal care staff. METeOR identifiers: 542001 and 552430.

geriatric assessment unit: A facility dedicated to the Australian Government-approved assessment of the level of dependency of (usually) aged individuals either for purposes of initial admission to a long-stay institution or for purposes of reassessment of dependency levels of existing long-stay institution residents. METeOR identifier: 270429.

hospice: See **establishment type**.

hospice care unit: A facility dedicated to the provision of palliative care to terminally ill patients. METeOR identifier: 270427.

hospital: A health-care facility established under Australian Government, state or territory legislation as a hospital or a free-standing day procedure unit and authorised to provide treatment and/or care to patients. METeOR identifier: 268971.

Independent Hospital Pricing Authority funding designation: The designation given to an establishment by the Independent Hospital Pricing Authority relating to a type of funding the establishment receives. METeOR identifier: 548713. See **activity-based funding** and **block-funding.**

infectious diseases unit: A specialised facility dedicated to the treatment of infectious diseases. METeOR identifier: 270447.

intensive care unit (level III): A specialised facility dedicated to the care of paediatric and adult patients requiring intensive care and sophisticated technological support services. METeOR identifier: 270426.

interest payments: Payments made by or on behalf of the establishment in respect of borrowings (such as interest on bank overdraft) provided the establishment is permitted to borrow. This does not include the cost of equity capital (dividends on shares) in respect of profit-making private establishments. METeOR identifier: 270186.

in-vitro fertilisation unit: A specialised facility dedicated to the investigation of infertility provision of in-vitro fertilisation services. METeOR identifier: 270441.

lease costs: A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. See **non-salary expenditure**.

length of stay: The length of stay of an overnight patient is calculated by subtracting the date the patient is admitted from the date of separation and deducting days the patient was on leave. A same-day patient is allocated a length of stay of 1 day. METeOR identifier: 269982.

licensed bed: A bed in a private hospital, licensed by the relevant state or territory health authority.

local hospital networks: Local hospital networks directly manage single or small groups of public hospital services and their budgets, and are directly responsible for hospital performance. METeOR identifier: 491016.

maintenance renal dialysis centre: A specialised facility dedicated to maintenance dialysis of renal failure patients. It may be a separate facility (possibly located on hospital grounds) or known as a satellite centre or a hospital-based facility but is not a facility solely providing training services. METeOR identifier: 270437.

major plastic/reconstructive surgery unit: A specialised facility dedicated to general purpose plastic and specialised reconstructive surgery, including maxillofacial, microsurgery and hand surgery. METeOR identifier: 270439.

medical and surgical supplies expenditure: The cost of all consumables of a medical or surgical nature (excluding drug supplies) but not including expenditure on equipment repairs. METeOR identifier: 270358.

National Health Reform Agreement (NHRA) 2011 product streams: The different types of care describe total recurrent expenditure broken down by the NHRA product stream (METeOR identifiers: 540184 and 552494) and recurrent contracted care expenditure broken down by the NHRA product stream (METeOR identifiers: 552598 and 552604). Includes recurrent expenditure incurred for:

- admitted acute care
- admitted subacute care
- other admitted care
- emergency care services
- non-admitted care (in-scope for NHRA)
- direct teaching, training and research
- commonwealth funded aged care
- other aged care
- non-admitted care (out of scope for NHRA)
- other (out of scope for NHRA).

The different types of care describe total recurrent expenditure broken down by the NHRA product stream (METeOR identifiers: 540184 and 552494) and recurrent contracted care expenditure broken down by the NHRA product stream (METeOR identifiers: 552598 and 552604).

neonatal intensive care unit (level III): A specialised facility dedicated to the care of neonates requiring care and sophisticated technological support, is provided within an establishment. Patients usually require intensive cardiorespiratory monitoring, sustained assistance ventilation, long-term oxygen administration and parenteral nutrition. METeOR identifier 270436.

neurosurgical unit: A specialised facility dedicated to the surgical treatment of neurological conditions. METeOR identifier: 270446.

non-admitted care (in-scope for NHRA) expenditure: Expenditure incurred by an establishment on non-admitted patients receiving services deemed to be in-scope of the National Health Reform Agreement. See **National Health Reform Agreement (NHRA) 2011 product streams**.

non-admitted care (out of scope for NHRA) expenditure: Expenditure incurred by an establishment on non-admitted patients receiving services deemed not to be in-scope of the National Health Reform Agreement. See **National Health Reform Agreement (NHRA) 2011 product streams**.

non-admitted patient: A patient who does not undergo a hospital's formal admission process. METeOR identifier: 268973.

non-admitted patient clinics: The organisational units or organisational arrangements through which a hospital provides a service to a non-admitted patient. METeOR identifier: 400598.

non-salary expenditure: Includes payments to visiting medical officers, superannuation, drug supplies, medical and surgical supplies (which include consumable supplies only and not equipment purchases), food supplies, domestic services, repairs and maintenance, patient transport, administrative expenses, interest, depreciation, lease costs, other on-costs and other recurrent expenditure. METeOR identifiers: 542106 and 552346.

non-salary expenditure not elsewhere recorded: The expenditure incurred by establishments on all other recurrent expenditure costs not elsewhere recorded. Gross expenditure should be reported with no revenue offsets (except for inter-hospital transfers). Includes expenditure by the establishment on contracted care arrangements. See **non-salary expenditure**.

nursing home care unit: A facility dedicated to the provision of nursing home care. METeOR identifier: 270428.

obstetric/maternity service unit: A specialised facility dedicated to the care of obstetric/maternity patients. METeOR identifier: 270150.

oncology unit: A specialised facility dedicated to multidisciplinary investigation, management, rehabilitation and support services for cancer patients. Treatment services include surgery, chemotherapy and radiation. METeOR identifier: 270440.

other administrative expenses: Expenditure incurred by establishments of a management expenses/administrative support nature such as any rates and taxes, printing, telephone, stationery but excluding insurance, workers' compensation premiums and medical indemnity. See **non-salary expenditure**.

other admitted care expenditure: Expenditure incurred by an establishment for other admitted patients, including expenditure associated with maintenance care. See **National Health Reform Agreement (NHRA) 2011 product streams**.

other aged care expenditure: Expenditure incurred by establishments for other aged care patients, excluding Australian Government funded aged care patients (such as residential aged care and Multi-Purpose Services). See **National Health Reform Agreement (NHRA) 2011 product streams**.

other care (out of scope for NHRA) expenditure: Expenditure incurred by an establishment on services not reported elsewhere. See **National Health Reform Agreement (NHRA) 2011 product streams**.

other on-costs: The expenditure incurred by establishments on employee-related expenses, excluding salaries, wages and superannuation employer contributions, paid on behalf of establishment either by the establishment, or another organisation such as a state health authority. See **non-salary expenditure**.

other personal care staff: Includes attendants, assistants or home assistance, home companions, family aides, ward helpers, warders, orderlies, ward assistants and nursing assistants engaged primarily in the provision of personal care to patients or residents; they are not formally qualified or undergoing training in nursing or allied health professions. See **full time equivalent staff**.

other salaried medical officers: Non-specialist medical officers employed by the establishment on a full-time or part-time salaried basis. This excludes visiting medical offices engaged on an honorary, sessional or fee for service basis. This category includes non-specialist salaried medical officers who are engaged in administrative duties regardless of

the extent of that engagement (for example, clinical superintendent and medical superintendent). See **full time equivalent staff.**

other state or territory funding: All revenue provided by state or territory funding sources from government departments external to the state/territory health authority used to support the delivery and/or administration of services. See **revenue**.

outpatient: See **non-admitted patient**. METeOR identifier: 268973.

patient transport cost: The direct cost of transporting patients, excluding salaries and wages of transport staff where payment is made by an establishment. METeOR identifier: 270048.

payments to visiting medical officers: Payments made by an institutional health care establishment to visiting medical officers for medical services provided to hospital (public) patients on an honorary, sessionally paid or fee-for-service basis. METeOR identifier: 270049.

peer group: Groupings of hospitals into broadly similar groups in terms of characteristics.

performance indicator: A statistic or other unit of information that directly or indirectly, reflect either the extent to which an expected outcome is achieved or the quality of processes leading to that outcome.

private hospital: A privately owned and operated institution, catering for patients who are treated by a doctor of their own choice. Patients are charged fees for accommodation and other services provided by the hospital and relevant medical and paramedical practitioners. Acute care and psychiatric hospitals are included, as are private free-standing day hospital facilities. See also **establishment type**.

psychiatric hospital: See **establishment type**.

psychiatric unit/ward: A specialised unit/ward dedicated to the treatment and care of admitted patients with psychiatric, mental, or behavioural disorders.
METeOR identifier: 270425.

public hospital: A hospital controlled by a state or territory health authority. Public hospitals offer free diagnostic services, treatment, care and accommodation to all eligible patients. See also **establishment type**.

recurrent expenditure: Expenditure incurred by organisations on a recurring basis, for the provision of health goods and services. This includes, for example, salaries and wages expenditure and non-salary expenditure such as **payments to visiting medical officers**. This excludes capital expenditure. METeOR identifier: 269132.

registered nurses: Includes persons with at least a three year training certificate and nurses holding post graduate qualifications. Registered nurses must be registered with the national registration board. See **full time equivalent staff.**

This is a comprehensive category and includes community mental health, general nurse, intellectual disability nurse, midwife (including pupil midwife), psychiatric nurse, senior nurse, charge nurse (now unit manager), supervisory nurse and nurse educator. This category also includes nurses engaged in administrative duties no matter what the extent of their engagement, for example, directors of nursing and assistant directors of nursing.

rehabilitation unit: A dedicated unit within a recognised hospital which provides post-acute rehabilitation and designed as such by the state and territory health.
METeOR identifier: 270450.

remoteness area: A classification of the remoteness of a location using the Australian Statistical Geography Standard Remoteness Structure (2011), based on the Accessibility /Remoteness Index of Australia which measures the remoteness of a point based on the physical road distance to the nearest urban centre.

repairs and maintenance expenditure: The costs incurred in maintaining, repairing, replacing and providing additional equipment; maintaining and renovating buildings and minor additional works. METeOR identifier: 269970.

salary expenditure: Includes salaries and wages, payments to staff on paid leave, workers compensation leave and salaries paid to contract staff where the contract was for the supply of labour and where full-time equivalent staffing data were available.
METeOR identifier: 552475.

separations: The total number of episodes of care for admitted patients, which can be total hospital stays (from admission to discharge, transfer or death) or portions of hospital stays beginning or ending in a change of type of care (for example, from acute to rehabilitation) that cease during a reference period. METeOR identifier: 270407.

Service Related Group (SRG): A classification based on AR-DRG aggregations for categorising admitted patient episodes into groups representing clinical divisions of hospital activity.

sleep centre: A specialised facility linked to a sleep laboratory dedicated to the investigation and management of sleep disorders. METeOR identifier: 270445.

specialised service unit: A facility or unit dedicated to the treatment or care of patients with particular conditions or characteristics, such as an intensive care unit.
METeOR identifier: 269612.

specialist paediatric service unit: A specialised facility dedicated to the care of children aged 14 or less. METeOR identifier: 270424.

specialist salaried medical officers: Specialist medical officers employed by the hospital on a full-time or part-time salaried basis. This excludes visiting medical offices engaged on an honorary, sessional or fee-for-service basis. This category includes salaried medical officers who are engaged in administrative duties regardless of the extent of that engagement (for example, clinical superintendent and medical superintendent). See **full time equivalent staff.**

student nurses: Persons employed by the establishment currently studying in years one to three of a three-year certificate course. This includes any person commencing or undertaking a three-year course of training leading to registration as a nurse by the national registration board. This includes full-time general student nurse and specialist student nurse, such as mental deficiency nurse, but excludes practising nurses enrolled in post-basic training courses. See **full time equivalent staff.**

superannuation employer contributions: Contributions paid on behalf of establishment employees by the establishment to a superannuation fund providing retirement and related benefits to establishment employees. METeOR identifier: 270371.

trainee/pupil nurses: Includes any person commencing or undertaking a 1-year course of training leading to registration as an enrolled nurse on the national registration board (includes all trainee nurses). See **full time equivalent staff.**

transplantation unit-bone marrow: A specialised facility for bone marrow transplantation. METeOR identifier: 308862.

transplantation unit-heart, lung: A specialised facility for heart (including heart lung) transplantation. METeOR identifier: 308866.

transplantation unit-liver: A specialised facility for liver. METeOR identifier: 308868.

transplantation unit-pancreas: A specialised facility for pancreas transplantation. METeOR identifier: 308870.

transplantation unit-renal: A specialised facility for renal transplantation. METeOR identifier: 308864.

visiting medical officer: A medical practitioner appointed by the hospital board to provide medical services for hospital (public) patients on an honorary, sessionally paid or fee-for-service basis. METeOR identifier: 327170.

References

ABS (Australian Bureau of Statistics) 2011. Australian Statistical Geography Standard (ASGS): Volume 1—Main Structure and Greater Capital City Statistical Areas, ABS cat. no. 1270.0.55.001. Canberra: ABS.

ABS 2012. Private hospitals Australia 2010–11. ABS cat. no. 4390.0. Canberra: ABS.

ABS 2013. Private hospitals Australia 2011–12. ABS cat. no. 4390.0. Canberra: ABS.

ABS 2014. Private hospitals Australia 2012–13. ABS cat. no. 4390.0. Canberra: ABS.

ABS 2015. Private hospitals Australia 2013–14. ABS cat. no. 4390.0. Canberra: ABS.

ABS 2016. Private hospitals Australia 2014–15. ABS cat. no. 4390.0. Canberra: ABS.

ACSQHC (Australian Commission on Safety and Quality in Health Care) 2013. National standards and accreditation. Sydney: ACSQHC. Viewed 29 March 2015, <http://www.safetyandquality.gov.au/>.

AIHW (Australian Institute of Health and Welfare) 2012. National health data dictionary: version 16. National health data dictionary: version 16. no. 16. Cat. no. HWI 119. Canberra: AIHW.

AIHW 2015a. Australian hospital peer groups. Health services series no. 66. Cat. no. HSE 170. Canberra: AIHW.

AIHW 2015b. Elective surgery waiting times 2014–15: Australian hospital statistics. Health services series no. 64. Cat. no. HSE 166. Canberra: AIHW.

AIHW 2015c. Emergency department care 2014–15: Australian hospital statistics. Health services series no. 65. Cat. no. HSE 168. Canberra: AIHW.

AIHW 2015d. Health expenditure Australia 2013–14. Health and welfare expenditure series no. 54. Cat. no. HWE 63. Canberra: AIHW.

AIHW 2015e. Hospital resources 2013–14: Australian hospital statistics. Health services series no. 63. Cat. no. HSE 160. Canberra: AIHW.

AIHW 2015f. National health data dictionary: version 16.1. National health data dictionary no. 17. Cat. no. HWI 130. Canberra: AIHW. Viewed 2 April 2016 <http://www.aihw.gov.au/publication-detail/?id=60129550405>.

AIHW 2015g. National health data dictionary: version 16.2. National health data dictionary no. 18. Cat. no. HWI 131. Canberra: AIHW. Viewed 2 April 2016 <http://www.aihw.gov.au/publication-detail/?id=60129550408>.

AIHW 2015h. *Staphylococcus aureus* bacteraemia in Australian public hospitals 2014–15: Australian hospital statistics. Health services series no. 67. Cat. no. HSE 171. Canberra: AIHW.

AIHW 2016a. Admitted patient care 2014–15: Australian hospital statistics. Health services series no. 68. Cat. no. HSE 172. Canberra: AIHW.

AIHW 2016b. Australia's hospitals 2014–15: at a glance. Health services series no. 70. Cat. no. HSE 175. Canberra: AIHW.

AIHW 2016c. Non-admitted patient care 2014–15: Australian hospital statistics. Health services series no. 69. Cat. no. HSE 174. Canberra. AIHW.

AIHW (forthcoming). Health expenditure Australia 2014–15. Canberra: AIHW.

ANHFP (Administrator of the National Health Funding Pool) 2015. National Health Reform public hospital funding, national report June 2015. Canberra: ANHFP. Viewed 12 July 2016, <http://www.publichospitalfunding.gov.au/reports/national?month=jun2015>

DoHA (Department of Health and Ageing) 2010. Australian Refined Diagnosis Related Groups, version 6.0x. Canberra: DoHA.

IHPA (Independent Hospitals Pricing Authority) 2014. National efficient cost determination 2014-15, February 2014 – version 3.0. Sydney: IHPA. Viewed 12 March 2016, <https://www.ihpa.gov.au/sites/g/files/net636/f/publications/nec-determination-2014-15.pdf>.

NCCC (National Casemix and Classification Centre) 2012. Australian Refined Diagnosis Related Groups, version 7.0. Wollongong: University of Wollongong.

OECD (Organisation for Economic Co-operation and Development) 2015. OECD Health Data 2015: frequently requested data. Paris: OECD. Viewed 26 March 2016, <www.oecd.org/health/healthdata>.

List of tables

List of figures

List of boxes

Related publications

This report, *Hospital resources 2014–15*: *Australian hospital statistics*, is part of an annual series. The earlier editions and any published subsequently can be downloaded for free from the Australian Institute of Health and Welfare (AIHW) website <www.aihw.gov.au/hospitals-publications/>. The website also includes information on ordering printed copies.

Recent related reports include:

- AIHW 2016. 25 years of health expenditure in Australia: 1989–90 to 2013–14. Health and welfare expenditure series no. 56. Cat. no. HWE 66. Canberra: AIHW.
- AIHW 2016. Admitted patient care 2014–15: Australian hospital statistics. Health services series no. 68. Cat. no. HSE 172. Canberra: AIHW.
- AIHW 2016. Australia's hospitals 2014–15: at a glance. Health services series no. 61. Cat. no. HSE 157. Canberra: AIHW.
- AIHW 2016. Non-admitted patient care 2014–15: Australian hospital statistics. Health services series no. 62. Cat. no. HSE 159. Canberra. AIHW.
- AIHW 2015. Australian hospital peer groups. Health services series no. 66. Cat. no. HSE 170. Canberra: AIHW.
- AIHW 2015. Elective surgery waiting times 2014–15: Australian hospital statistics. Health services series no. 64. Cat. no. HSE 166. Canberra: AIHW.
- AIHW 2015. Emergency department care 2014–15: Australian hospital statistics. Health services series no. 65. Cat. no. HSE 168. Canberra: AIHW.
- AIHW 2015. Health expenditure Australia 2013–14: analysis by sector. Health and welfare expenditure series no. 55. Cat. no. HWE 65. Canberra: AIHW.
- AIHW 2015. Health expenditure Australia 2013–14. Health and welfare expenditure series no. 54. Cat. no. HWE 63. Canberra: AIHW.
- AIHW 2015. Hospital resources 2013–14: Australian hospital statistics. Health services series no. 63. Cat. no. HSE 160. Canberra: AIHW.
- AIHW 2015. *Staphylococcus aureus* bacteraemia in Australian public hospitals 2014–15: Australian hospital statistics. Health services series no. 67. Cat. no. HSE 171. Canberra: AIHW.
- AIHW 2014. Australian hospital statistics 2012–13: private hospitals. Health services series no. 57. Cat. no. HSE 152. Canberra: AIHW.

In addition, selected hospitals-related information, for individual hospitals is available at <www.myhospitals.gov.au>.

Please see <www.aihw.gov.au/publications-catalogue/> to access a complete list of AIHW publications relating to Australia's health and welfare.

Hospital resources 2014–15: Australian hospital statistics presents a detailed overview of public and private hospital resources in Australia.

In 2014–15, there were:

- 698 public hospitals: with over 60,300 beds, and accounting for more than $57 billion of recurrent expenditure (including depreciation)
- 624 private hospitals: with almost 32,000 beds, and accounting for more than $12 billion of expenditure.