



Australian Government

**Australian Institute of
Health and Welfare**

Health expenditure Australia 2014–15

HEALTH AND WELFARE EXPENDITURE SERIES NO. 57



Australian Government

**Australian Institute of
Health and Welfare**

*Authoritative information and statistics
to promote better health and wellbeing*

HEALTH AND WELFARE EXPENDITURE SERIES

Number 57

Health expenditure Australia

2014–15

Australian Institute of Health and Welfare
Canberra

Cat. no. HWE 67

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.

© Australian Institute of Health and Welfare 2016



This product, excluding the AIHW logo, Commonwealth Coat of Arms and any material owned by a third party or protected by a trademark, has been released under a Creative Commons BY 3.0 (CC-BY 3.0) licence. Excluded material owned by third parties may include, for example, design and layout, images obtained under licence from third parties and signatures. We have made all reasonable efforts to identify and label material owned by third parties.

You may distribute, remix and build upon this work. However, you must attribute the AIHW as the copyright holder of the work in compliance with our attribution policy available at <www.aihw.gov.au/copyright/>. The full terms and conditions of this licence are available at <<http://creativecommons.org/licenses/by/3.0/au/>>.

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

ISSN 2205-6610 (PDF)

ISSN 1323-5850 (Print)

ISBN 978-1-76054-022-7 (PDF)

ISBN 978-1-76054-023-4 (Print)

Suggested citation

Australian Institute of Health and Welfare 2016. Health expenditure Australia 2014–15. Health and welfare expenditure series no. 57. Cat. no. HWE 67. Canberra: AIHW.

Australian Institute of Health and Welfare

Board Chair

Dr Mukesh C Haikerwal AO

Director

Mr Barry Sandison

Any enquiries relating to 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.



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.

Contents

Acknowledgments.....	iv
Abbreviations.....	v
Symbols.....	vi
Summary	vii
1 Introduction.....	1
1.1 What is health expenditure?.....	1
1.2 The structure of the health sector and its flow of funds.....	4
1.3 Structure of this report	4
1.4 Changes to Australian Institute of Health and Welfare estimates.....	5
1.5 Revisions to Australian Bureau of Statistics estimates	5
2 Health expenditure.....	6
2.1 Health expenditure and the GDP	7
2.2 Government health expenditure and tax revenue	13
2.3 Health expenditure per person.....	18
2.4 Recurrent health expenditure.....	20
2.5 International comparisons	28
3 Sources of funds.....	36
3.1 Broad trends.....	36
3.2 Capital expenditure	42
3.3 Australian Government expenditure	43
3.4 State and territory expenditure.....	45
3.5 Non-government expenditure	47
3.6 Individuals	50
Appendix A: National health expenditure matrixes.....	60
Appendix B: State and territory health expenditure matrixes	71
Appendix C: Data sources and methods	96
Appendix D: Data quality statement for AIHW health expenditure data – 2014–15 release	108
Glossary.....	113
References.....	120
List of tables	122
List of figures	126
List of boxes.....	127
Related publications	128

Acknowledgments

This report would not have been possible without the valued cooperation and effort of the data providers in the health authorities of the states and territories and the Australian Government.

The Australian Institute of Health and Welfare (AIHW) would like to express its appreciation to state, territory and other providers for the timely supply of data and assistance with data validation. The AIHW also wishes to thank the members of the AIHW's Health Expenditure Advisory Committee who helped to plan this report, and provided advice on its content.

Janice Miller, Adam Majchrzak-Smith, Adrian Webster, Nick Mann, Dian Xu and Linda Jensen carried out the collection and analysis of the data and the writing of this publication.

Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AIHW	Australian Institute of Health and Welfare
Amt	amount
DVA	Australian Government Department of Veterans' Affairs
GDP	gross domestic product
GFCE	government final consumption expenditure
GHE NMDS	Government Health Expenditure National Minimum Data Set
GNE	gross national expenditure
GST	goods and services tax
HFCE	household final consumption expenditure
HIF	health insurance funds
IPD	implicit price deflator
NPP	national partnership payment
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Co-operation and Development
PBS	Pharmaceutical Benefits Scheme
Qld	Queensland
SA	South Australia
SPP	special purpose payment
Tas	Tasmania
Treasury	Australian Government Department of the Treasury
Vic	Victoria
WA	Western Australia

Symbols

–	nil or rounded to zero
..	not applicable
\$A	Australian dollar

Summary

This report provides the latest annual overview of the key trends in health expenditure in Australia. It represents 32 years of the AIHW's health expenditure series, and examines health expenditure according to who paid (the source of funds) and the types of health goods and services purchased (area of expenditure) between 2004–05 and 2014–15.

Growth in health expenditure in Australia continued to be relatively low in 2014–15 compared with the 10-year trend. But this was not the case for all sources of funds and it did not result in a reduction in the ratio of health to gross domestic product (GDP), or the ratio of government health expenditure to tax revenue, reflecting even slower growth in those measures.

Total health expenditure

Total health expenditure (recurrent and capital expenditure combined) in 2014–15 was \$161.6 billion – \$4.4 billion (2.8%) higher in real terms than in 2013–14. This was the third consecutive year that growth in health expenditure was below the 10-year average (4.6% between 2004–05 and 2014–15).

Growth in health expenditure per Australian (\$6,846 in 2014–15) was also relatively low, at less than half the average annual growth over the decade (1.4% compared with 2.9%).

Despite the low growth, the share of the economy (GDP) that health represented reached 10.0% for the first time. Using OECD definitions, Australia's health to GDP ratio (at 9.7%) was above the OECD median (9.1%) by the largest amount since 2004 (0.6 percentage points).

Government expenditure

Total government health expenditure (\$108.2 billion) grew by 1.3% in 2014–15 – less than one-third the average rate for the decade (4.3%). The ratio of government health expenditure to tax revenue remained relatively stable over the 3 years to 2014–15. From 24.6% in 2012–13 and 2013–14, it rose by 0.2 percentage points in 2014–15 to 24.8%.

Real growth in Australian Government expenditure was 2.4% in 2014–15 compared with an average over the decade of 4.0%. The ratio of Australian Government health expenditure to taxation revenue grew by 1.4 percentage points (from 25.0% in 2013–14 to 26.4% in 2014–15).

State and territory expenditure declined in real terms for the first time in the decade (by 0.4% compared with average annual growth of 4.8% per year).

Combined with relatively strong growth in state and territory tax revenue in 2014–15 (7.9% compared with an average annual growth of 5.6%), this meant the ratio of health expenditure to tax revenue for state and territory governments fell by 1.4 percentage points (from 24.0% in 2013–14 to 22.6% in 2014–15). This is the third consecutive year this ratio has declined, and it occurred in all states and territories, although the amount varied.

Non-government expenditure

Non-government sources (individuals, private health insurance and other non-government sources) spent \$53.4 billion on health in 2014–15 (33.1% of total health spending, up from 32.2% the previous year). Growth in non-government expenditure in 2014–15 was higher than for government (5.9%), and above the average annual growth over the decade (5.4%).

1 Introduction

This report is the latest in the Australian Institute of Health and Welfare's (AIHW) Health expenditure Australia series and includes estimates of how much was spent on health between 2004–05 and 2014–15. These estimates form Australia's National Health Accounts, which are a related but separate collection to the National Accounts prepared by the Australian Bureau of Statistics. This information contributes to understanding the performance and efficiency of Australia's health system and changes over time.

1.1 What is health expenditure?

Health expenditure is defined as expenditure on health goods and services, including investment in equipment and facilities (see Glossary for detailed descriptions of health expenditure components). This definition closely follows the definitions and concepts that the OECD System of Health Accounts (OECD, Eurostat & WHO 2011) framework provides. It excludes:

- expenditure that may have a 'health' outcome, but is incurred outside the health sector (such as building safer transport systems, and educating health practitioners)
- expenditure on personal activities not directly related to maintaining or improving personal health
- expenditure that does not have health as the main area of expected benefit.

Expenditure on health is traditionally analysed in terms of recurrent expenditure and capital expenditure.

Recurrent expenditure can generally be thought of as goods and services consumed within a year. It includes expenditure on health goods, such as: medications and health aids and appliances; health services, such as hospital, dental and medical services; public health activities; and other activities that support health systems, such as research and administration. Capital consumption or depreciation is also included as part of recurrent expenditure.

Capital expenditure is expenditure on fixed assets, such as new buildings.

Health expenditure occurs when money is spent on health goods and services. This spending occurs at different levels of government, as well as by non-government entities such as private health insurers and individuals.

In many cases, funds pass through several entities before providers (such as hospitals, general practices and pharmacies) use them to provide health goods and services.

The term 'health expenditure' in this context includes the funds the Australian Government provides to the state and territory governments, as well as the funds the state and territory governments allocate to health service providers.

In the case of public hospital care, for example, the states and territories use funds provided from several sources, including from the Australian Government, as outlined in Figure 1.1. The hospitals themselves also receive funds from several sources before ultimately spending this money on accommodation, medical and surgical supplies, drugs, salaries of doctors and nurses, and so on.

In many cases, data on expenditure are not available directly from the providers of health goods and services. As a result, data for this report are derived mainly from entities that spend money on health goods and services – particularly state and territory governments, the Australian Government, private health insurers and individuals.

In this report, efforts have been made to record as much of this health expenditure as possible. To avoid double counting, expenditure by some entities is offset against expenditure by others. For example, when estimating total expenditure on hospital services in a year, the funds the Australian Government provides to states and territories for hospital services are subtracted from the hospital expenditure the states and territories report, to derive the amount that the states and territories spent from their own resources.

This method has limitations where the funds provided by the Australian Government are not all spent by the state or territory government in the same year. For example, in 2008–09, the Australian Government provided \$1.2 billion to the states and territories through the 5-year National Partnership Agreement on Health and Hospital Workforce Reform. This funding has been offset against 2008–09 state and territory government expenditure, even though they may have actually spent the funds over several years. This is an extreme example, however, and the overall effect on trends in health expenditure is limited.

Box 1.1: Expenditure at current and constant prices

Current price estimates

Expenditure at current prices refers to expenditure that is not adjusted for movements in prices from 1 year to another (that is, not adjusted for inflation). Comparisons over time using figures expressed in current prices can be misleading, due to the effect of inflation. For example, \$1 billion spent in 2004–05 will have bought more health goods and services than \$1 billion spent in 2014–15.

Deflation and constant price estimates

To compare estimates of expenditures in different time periods, it is necessary to compensate for inflation. This process is known as ‘deflation’. The result is a series of annual estimates of expenditure that are expressed in terms of the value of currency in a selected reference year. These are referred to as ‘constant prices’.

The reference year used in this report is 2014–15. See Appendix C for more information on the deflation process.

Measuring change

Changes from year to year in the estimates of expenditure at current prices are referred to throughout this report as ‘nominal changes in expenditure’, ‘in nominal terms’ or ‘nominal changes’. These reflect changes that come about because of the combined effects of inflation and rises in the volume of health goods and services.

Growth in expenditure expressed in constant prices is referred to as ‘real growth’ or ‘growth in real terms’.

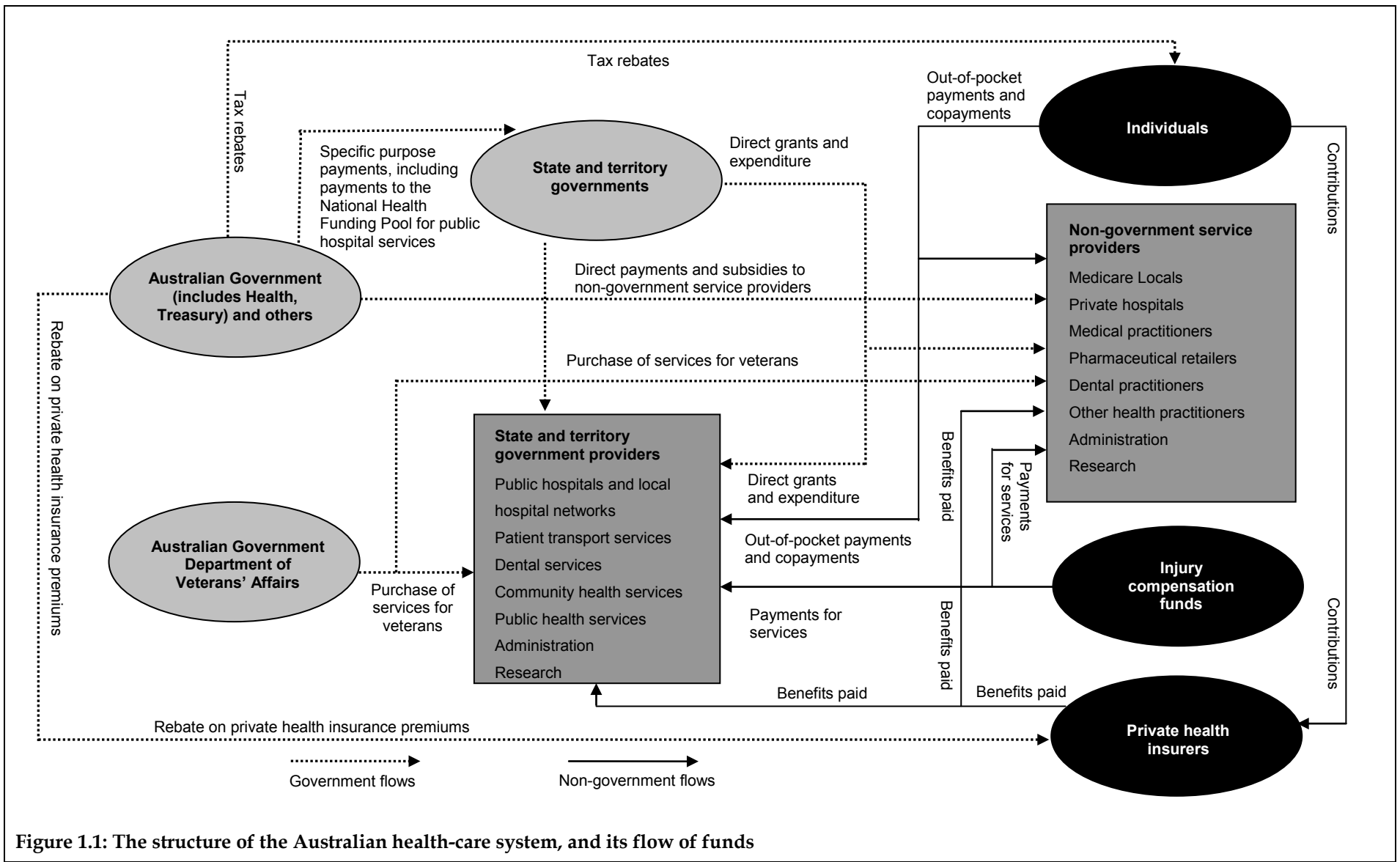


Figure 1.1: The structure of the Australian health-care system, and its flow of funds

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

The flow of money around the Australian health-care system is complex and the institutional frameworks in place – both government and non-government – determine how this occurs. The government sector includes the Australian and state and territory governments and, in some jurisdictions, local government. The non-government sector comprises individuals, private health insurers and other non-government funding sources. Other non-government sources principally include workers compensation, compulsory motor vehicle third-party insurers, funding for research from non-government sources and miscellaneous non-patient revenue that hospitals receive. Figure 1.1 shows the major flows of funding between the government and non-government sectors and the providers of health goods and services.

1.3 Structure of this report

This report focuses on national trends in health expenditure. Detailed analyses of specific areas of health expenditure are covered in supplementary publications.

The tables and figures in this publication provide expenditure in terms of current and constant prices (see Box 1.1).

Chapter 2 presents a broad picture of total national health expenditure in 2014–15 and over the decade since 2004–05.

Chapter 3 analyses health expenditure in terms of who provided the funding for the expenditure – the Australian Government, state and territory governments, and the non-government sector.

The appendixes include more detailed national and state and territory health expenditure data, information on the data sources and methods used to create the expenditure estimates and a data quality statement for this year for the AIHW health expenditure database.

Data for all tables and figures in the publication are available in Excel format and can be downloaded free from <www.aihw.gov.au/expenditure-publications/>.

1.4 Changes to Australian Institute of Health and Welfare estimates

There have been some revisions to previously published estimates of health expenditure due to the receipt of additional or revised data, or changes in method. The broad level categorisation of recurrent health expenditure has also changed. Recurrent expenditure was previously categorised as 'hospitals', 'primary health care' and 'other'. To allow for more detailed analysis of trends, the 'other' group has now been divided into several categories. The full list of broad level categories is now 'hospitals', 'primary health care', 'referred medical services', 'other services' and 'research' (see Appendix C for more details).

As such, comparisons over time should be based on the estimates in this publication, or from the most recent online data cubes on the AIHW website, rather than earlier editions of this report.

In 2007–08, an important change was made to include capital consumption (but not capital expenditure) as part of recurrent health expenditure for all years (see Appendix C). In previous editions it had been shown as a separate (non-recurrent) form of expenditure. The AIHW's online data cubes incorporate this change for all years back to 1985–86.

1.5 Revisions to Australian Bureau of Statistics estimates

Gross domestic product (GDP) estimates for this report are sourced from the Australian Bureau of Statistics (ABS) (ABS 2016b).

The GDP estimates are based on the international standard, the System of National Accounts 2008, which the ABS adopted in September 2009. This system increased the scope of production activities included in the measurement of GDP. The changes increased the size of Australia's GDP, which had the effect of reducing Australia's health to GDP ratio, particularly compared with other countries that have not yet adopted the new standard.

The ABS periodically revises the GDP estimates. These revisions have been applied retrospectively in this report, meaning the health expenditure to GDP ratios in this report are not consistent with those shown in previous *Health expenditure Australia* reports.

2 Health expenditure

This chapter outlines the macro-level trends in health expenditure over the past decade. Australia's expenditure is considered in the context of changes in the economy, taxation revenues, population growth and internationally. The focus is on total health expenditure (recurrent plus capital) in all sections except Section 2.4, which deals specifically with recurrent expenditure.

Total health expenditure in 2014–15 was \$161.6 billion – \$4.4 billion higher in real terms than in 2013–14, and \$59.0 billion higher than in 2004–05 (Table 2.1).

This growth of 2.8% was less than two-thirds (60.2%) of the average annual growth over the decade (4.6%) – the third consecutive year that growth was lower than the decade average.

Table 2.1: Total health expenditure, current and constant prices^(a), and annual rates of change, 2004–05 to 2014–15

Year	Amount (\$ million)		Change from previous year (%)	
	Current	Constant	Nominal change ^(b)	Real growth ^(b)
2004–05	81,061	102,616	..	..
2005–06	86,685	105,271	6.94	2.59
2006–07	94,938	111,558	9.52	5.97
2007–08	103,563	118,928	9.08	6.61
2008–09	114,401	127,723	10.46	7.40
2009–10	121,710	132,653	6.39	3.86
2010–11	131,612	142,057	8.14	7.09
2011–12	141,957	150,653	7.86	6.05
2012–13	146,953	152,352	3.52	1.13
2013–14	154,671	157,234	5.25	3.20
2014–15	161,632	161,632	4.50	2.80
Average annual change (%)				
2004–05 to 2009–10	..	..	8.47	5.27
2009–10 to 2014–15	..	..	5.84	4.03
2004–05 to 2014–15	..	..	7.14	4.65

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) Nominal changes in expenditure from year to year refer to the change in current price estimates. Real growth is the growth in expenditure at constant prices. See Box 1.1 for more information.

Source: AIHW health expenditure database.

2.1 Health expenditure and the GDP

The ratio of Australia's health expenditure to GDP (health to GDP ratio) measures the proportion of total economic activity represented by the health sector.

Despite recent low growth in health spending, health's share of GDP has continued to rise, from 9.8% in 2013–14 to 10.0% in 2014–15, the first time it has reached 10.0%. This has reflected the even lower GDP growth (1.7% nominal growth in 2014–15 compared with a 10-year average of 5.8%) (Table 2.2).

Table 2.2: Total health expenditure and GDP, current prices, and annual health to GDP ratios, 2004–05 to 2014–15

Year	Total health expenditure (\$ million)	GDP (\$ million)	Nominal GDP growth (%) ^(a)	Ratio of health expenditure to GDP (%)
2004–05	81,061	921,929	..	8.79
2005–06	86,685	997,534	8.20	8.69
2006–07	94,938	1,086,534	8.92	8.74
2007–08	103,563	1,177,941	8.41	8.79
2008–09	114,401	1,258,459	6.84	9.09
2009–10	121,710	1,296,797	3.05	9.39
2010–11	131,612	1,409,795	8.71	9.34
2011–12	141,957	1,491,046	5.76	9.52
2012–13	146,953	1,524,383	2.24	9.64
2013–14	154,671	1,584,578	3.95	9.76
2014–15	161,632	1,611,190	1.68	10.03
10-year average	..	..	5.77	9.25

(a) Nominal growth in GDP from year to year refers to the change in current price estimates.

Sources: AIHW health expenditure database; ABS 2016b.

Differential growth in real health expenditure and GDP

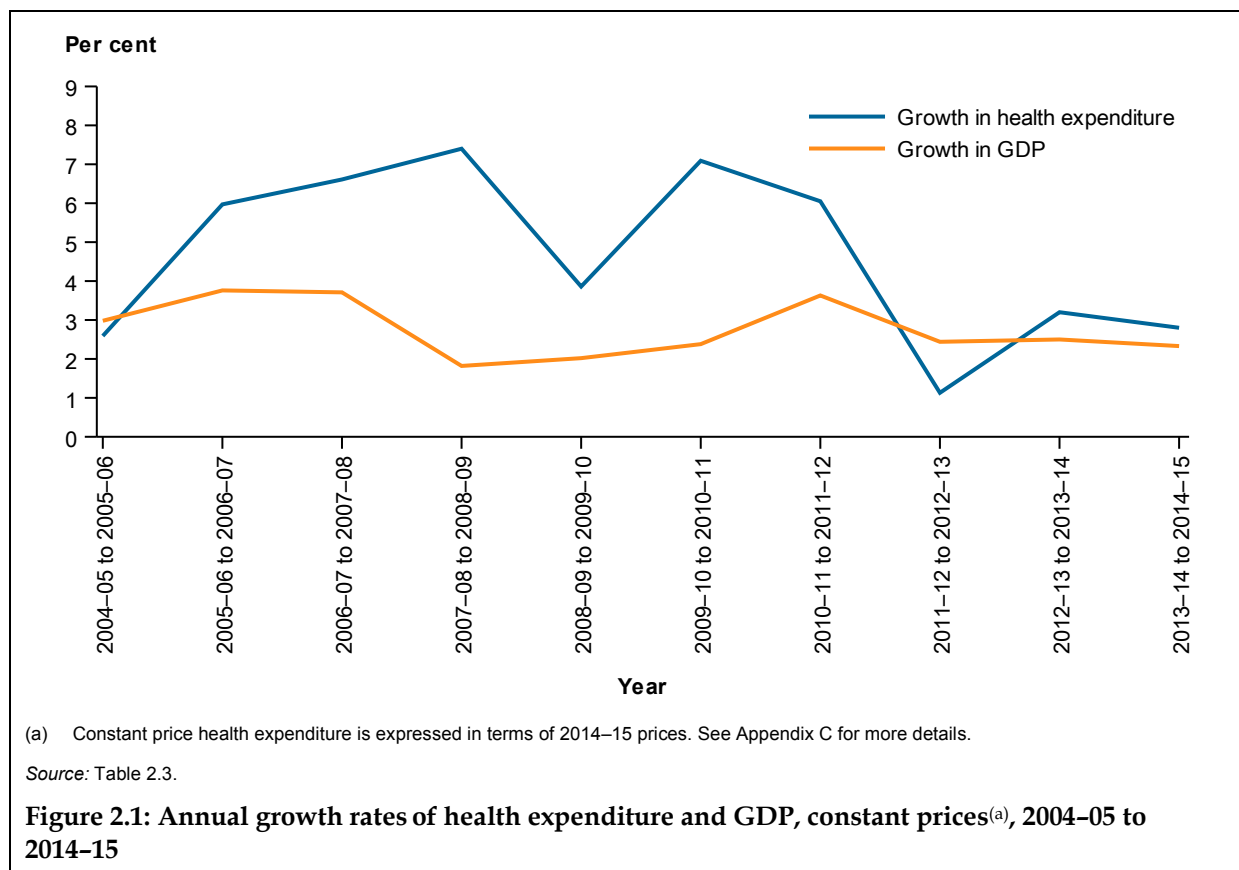
Once inflation in both the health sector and the overall economy are taken into account, real health spending grew by 2.8% in 2014–15, with 2.3% GDP growth. This difference in growth of 0.5 percentage points is about one-quarter of the difference in the average annual growth rates over the decade (1.9 percentage points) (Table 2.3; Figure 2.1).

Table 2.3: Total health expenditure and GDP, constant prices^(a), and annual growth rates, 2004–05 to 2014–15

Year	Total health expenditure		GDP	
	Amount (\$ million)	Growth rate (%)	Amount (\$ million)	Growth rate (%)
2004–05	102,616	..	1,227,791	..
2005–06	105,271	2.59	1,264,415	2.98
2006–07	111,558	5.97	1,311,927	3.76
2007–08	118,928	6.61	1,360,556	3.71
2008–09	127,723	7.40	1,385,314	1.82
2009–10	132,653	3.86	1,413,272	2.02
2010–11	142,057	7.09	1,446,902	2.38
2011–12	150,653	6.05	1,499,464	3.63
2012–13	152,352	1.13	1,536,051	2.44
2013–14	157,234	3.20	1,574,450	2.50
2014–15	161,632	2.80	1,611,190	2.33
Average annual growth rate (%)				
2004–05 to 2009–10	..	5.27	..	2.85
2009–10 to 2014–15	..	4.03	..	2.66
2004–05 to 2014–15	..	4.65	..	2.75

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

Sources: AIHW health expenditure database; ABS 2016b.



Health inflation

A change in expenditure, at current prices, from 1 year to another can result from either changes in prices (inflation) or growth in volume, or a combination of both (see Box 1.1).

Inflation can be further subdivided and analysed in terms of ‘general inflation’ and ‘excess health inflation’, which indicates whether inflation in the health sector was higher or lower than in the general economy (see Box 2.1).

Health inflation is measured by changes in the AIHW total health price index. Inflation across the economy is measured by changes in the ABS implicit price deflators for GDP and gross national expenditure (GNE). These 2 measures take a different approach to the treatment of the export and import components of the economy (see Box 2.1).

Box 2.1: Inflation

Inflation refers to changes in prices over time. Inflation can be positive (that is, prices are rising over time) or negative.

General inflation

General inflation refers to the average rate of change in prices throughout the economy over time. Two measures are used for the general rate of inflation – the implicit price deflators for GDP and GNE. The ABS produces both of these implicit price deflators.

The GDP implicit price deflator measures change in the total value of goods and services that Australian residents produce, including exports but excluding imports. The GNE implicit price deflator includes imports, but excludes exports.

Where exports form a major part of an economy's product, the GDP inflation figure can reflect international trends more than shifts in domestic pricing. In these cases, GNE can provide a more accurate indication of inflation in domestic prices.

Health inflation

Health inflation is a measure of the average rate of change in prices within the health goods and services sector of the economy. Changes in the total health price index measure health inflation (see Appendix C).

Excess health inflation

Excess health inflation is the amount by which the rate of health inflation exceeds general inflation. Excess health inflation will be positive if health prices are rising more rapidly than prices generally throughout the economy. It will be negative when the general level of prices throughout the broader economy is rising more rapidly than health prices.

Health inflation was estimated at 1.7% in 2014–15 (Table 2.4). On average, excess health inflation was negative over the decade whether compared with the GDP implicit price deflator (–0.5%) or GNE implicit price deflator (–0.1%). This suggests that price growth in the health sector has generally been slower than in the rest of the economy (Table 2.4; Figure 2.2).

Table 2.4: Annual rates of health inflation, 2004–05 to 2014–15 (%)

Period	Health inflation ^(a)	GDP IPD measures		GNE IPD measures	
		General inflation ^(b)	Excess health inflation	General inflation ^(c)	Excess health inflation
2004–05 to 2005–06	4.24	5.07	–0.79	3.02	1.19
2005–06 to 2006–07	3.35	4.98	–1.55	3.54	–0.19
2006–07 to 2007–08	2.32	4.54	–2.12	3.18	–0.83
2007–08 to 2008–09	2.86	4.93	–1.97	3.43	–0.55
2008–09 to 2009–10	2.43	1.01	1.41	1.77	0.66
2009–10 to 2010–11	0.98	6.19	–4.91	2.17	–1.17
2010–11 to 2011–12	1.71	2.06	–0.34	2.02	–0.31
2011–12 to 2012–13	2.36	–0.20	2.57	1.88	0.48
2012–13 to 2013–14	1.98	1.41	0.56	2.25	–0.26
2013–14 to 2014–15	1.66	–0.64	2.31	1.60	0.06
Average growth rate					
2004–05 to 2009–10	3.04	4.09	–1.00	2.99	0.06
2009–10 to 2014–15	1.74	1.74	0.04	1.98	–0.24
2004–05 to 2014–15	2.39	2.91	–0.48	2.48	–0.09

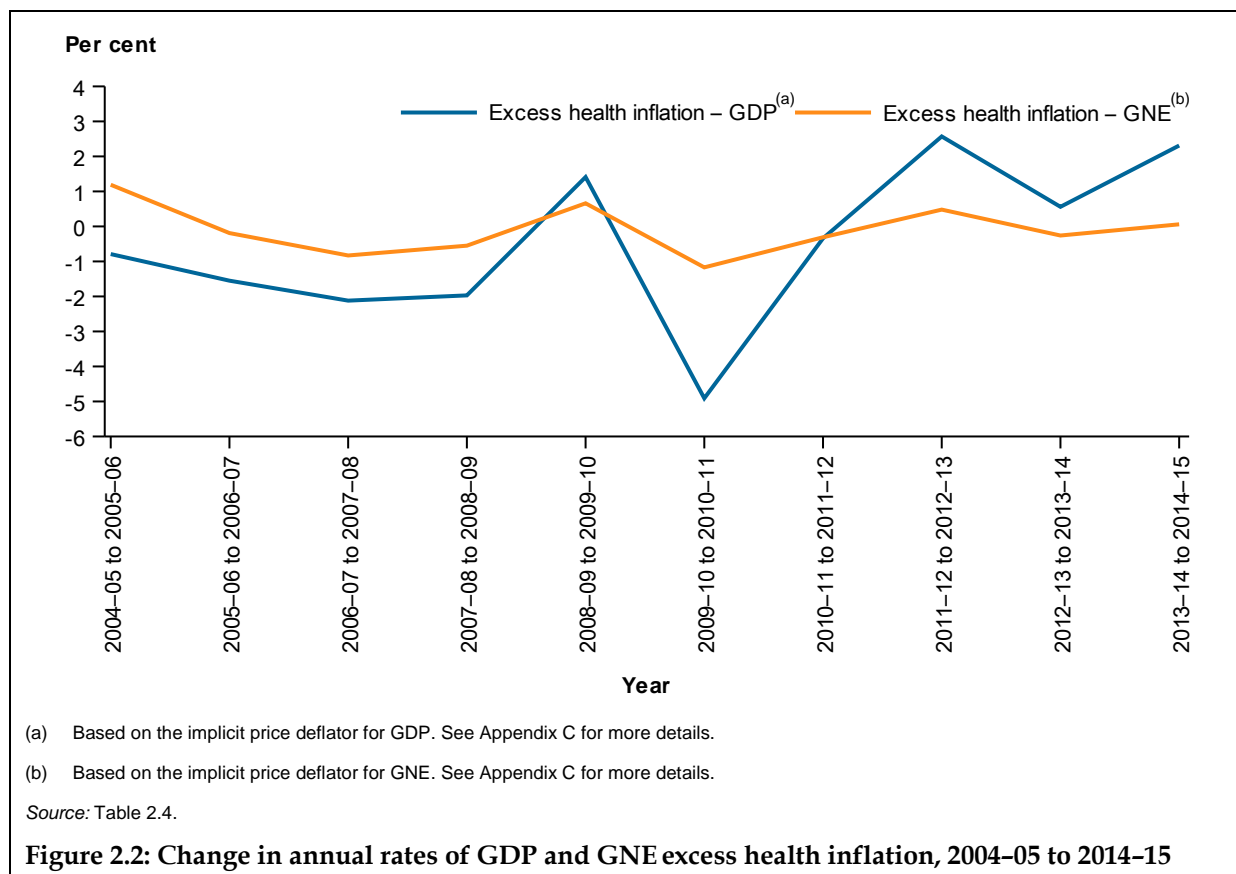
(a) Based on the total health price index. See Appendix C for more details.

(b) Based on the implicit price deflator for GDP. See Appendix C for more details.

(c) Based on the implicit price deflator for GNE. See Appendix C for more details.

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

Sources: AIHW health expenditure database; ABS 2016b.



The contribution of inflation to health expenditure growth

The contribution of the growth in the volume of health goods and services relative to health inflation to changes in the health to GDP ratio is shown in Table 2.5. The second last column shows the rise or fall in the volume of health goods and services relative to the increase or decrease in the GDP volume.

In 2014-15, the ratio of health expenditure to GDP was 10.0%, up by 2.8% on the previous year (9.8%). This comprised a 0.5% increase in the volume of health goods and services, relative to the increase in GDP volume, and a 2.3% rise in the price of health goods and services compared with price changes in the general economy. This suggests that the increase in the health to GDP ratio was driven by price rises in the health sector rather than in the volume of goods and services (Table 2.5).

Table 2.5: Components of the annual change in the health expenditure to GDP ratio, 2004–05 to 2014–15 (%)

Year	Ratio of health expenditure to GDP	Components of change in ratio		
		Percentage change in ratio of health expenditure to GDP from previous year	Change in the volume of health goods and services purchased ^(a)	Change in the price of health goods and services purchased ^(b)
2004–05	8.79	..	..	..
2005–06	8.69	–1.17	–0.38	–0.79
2006–07	8.74	0.55	2.13	–1.55
2007–08	8.79	0.62	2.80	–2.12
2008–09	9.09	3.40	5.48	–1.97
2009–10	9.39	3.24	1.81	1.41
2010–11	9.34	–0.53	4.60	–4.91
2011–12	9.52	1.98	2.33	–0.34
2012–13	9.64	1.26	–1.28	2.57
2013–14	9.76	1.25	0.69	0.56
2014–15	10.03	2.77	0.45	2.31

(a) Calculated using the real growth rate in total health expenditure and the real growth rate in GDP (see Table 2.3).

(b) Calculated using the implicit price deflator for GDP (see Table 2.4).

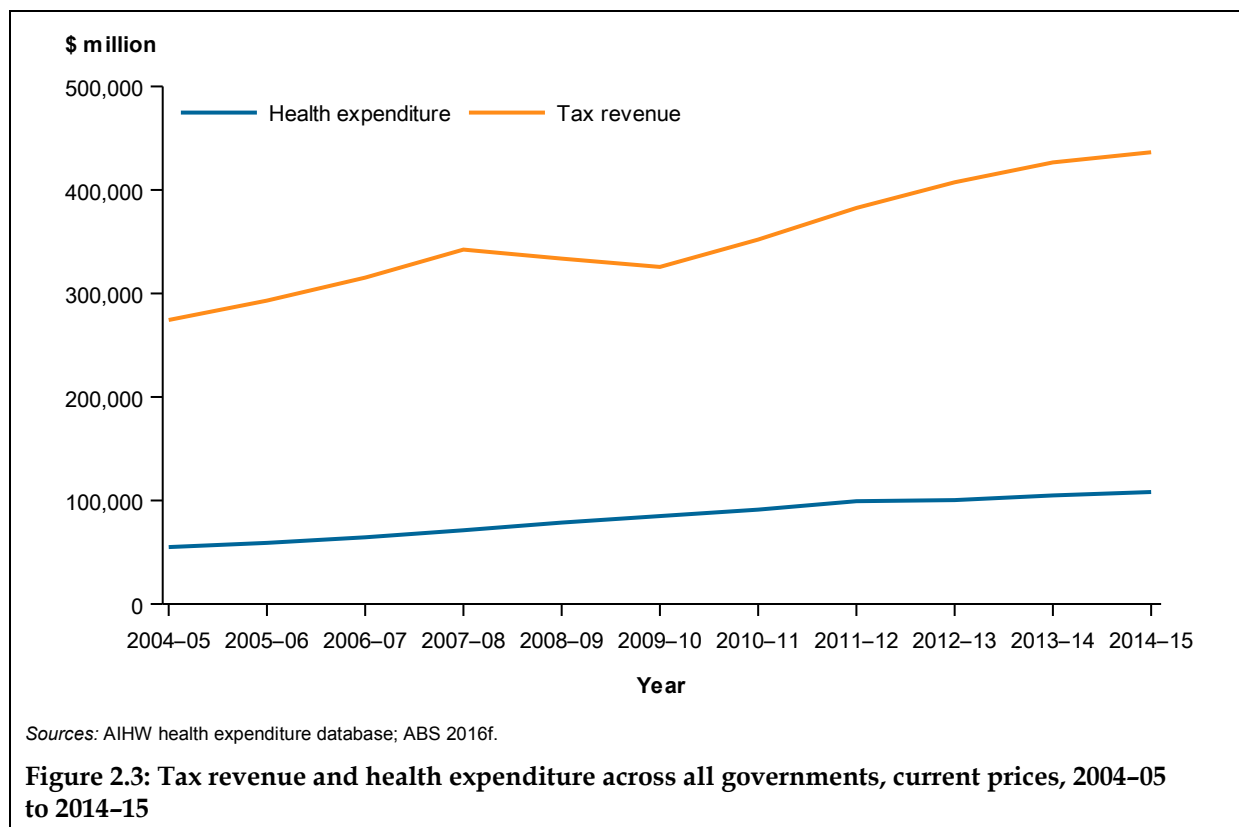
Note: Components may not add to totals due to rounding.

Sources: AIHW health expenditure database; ABS 2016b.

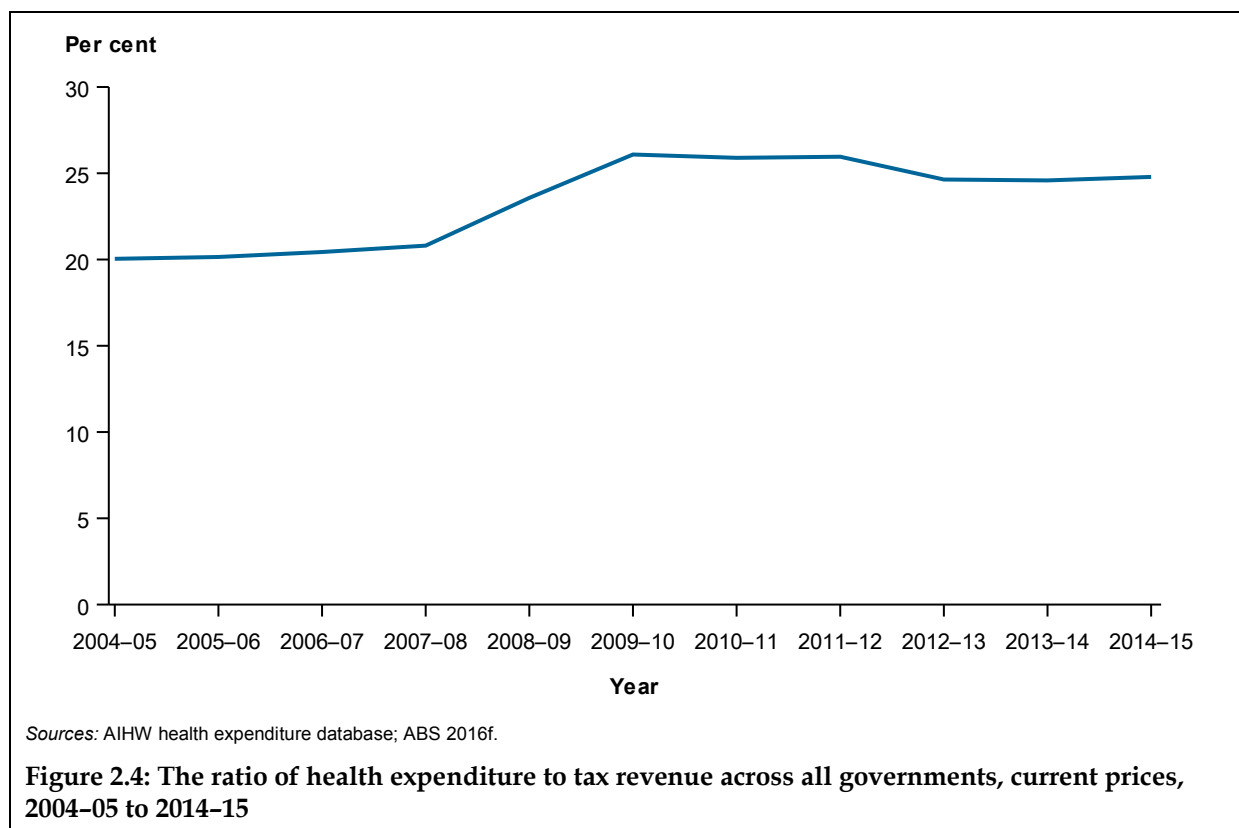
2.2 Government health expenditure and tax revenue

In addition to measuring the size of the health sector relative to the overall economy, it can be useful to consider the size of government expenditure on health relative to government incomes, specifically tax revenue.

At the national level, tax revenue growth was less consistent than growth in government health expenditure from 2004–05 to 2014–15. This was largely a result of the global financial crisis (Figure 2.3). In 2013–14 and 2014–15, growth in both tax revenue and government health expenditure was below the 10-year average. In 2014–15, tax revenue grew by 2.3%, compared with an average annual growth rate of 4.8%. Government health expenditure grew by 3.1% compared with an annual average of 7.0%.



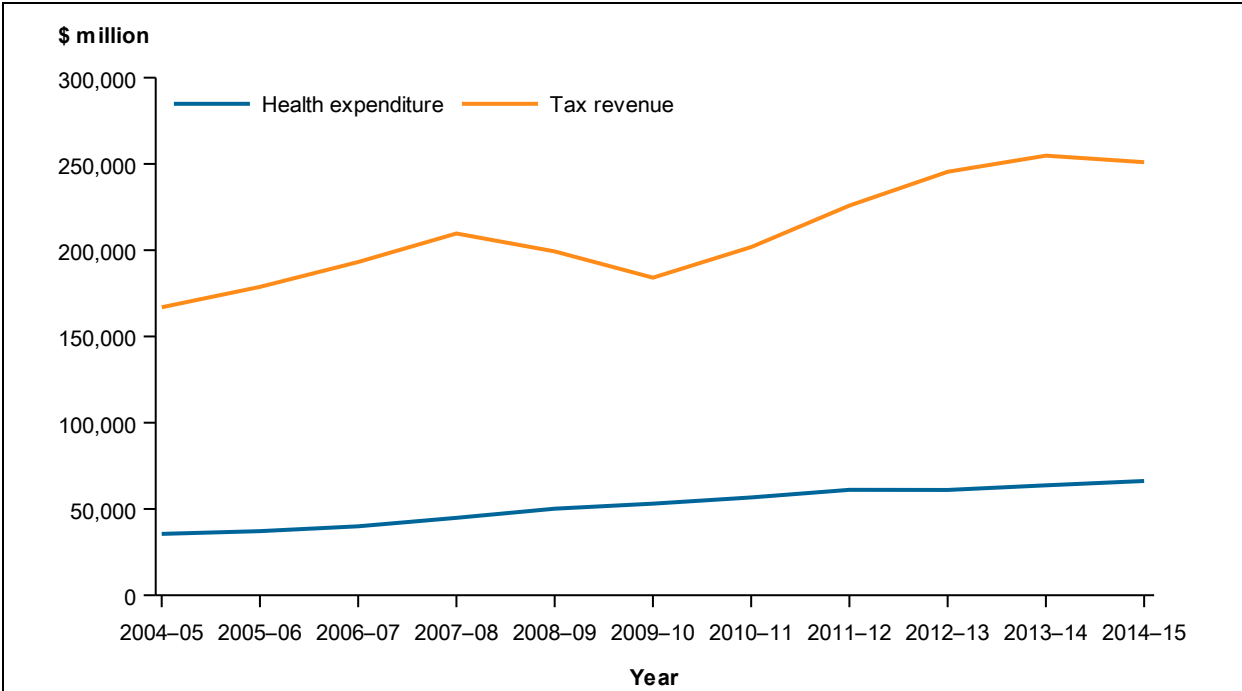
As a result, the ratio of government health expenditure to tax revenue has remained relatively stable over the 3 years to 2014-15. It was 24.6% in 2012-13 and 2013-14, and rose by 0.2 percentage points in 2014-15 to 24.8% (Figure 2.4).



Australian Government

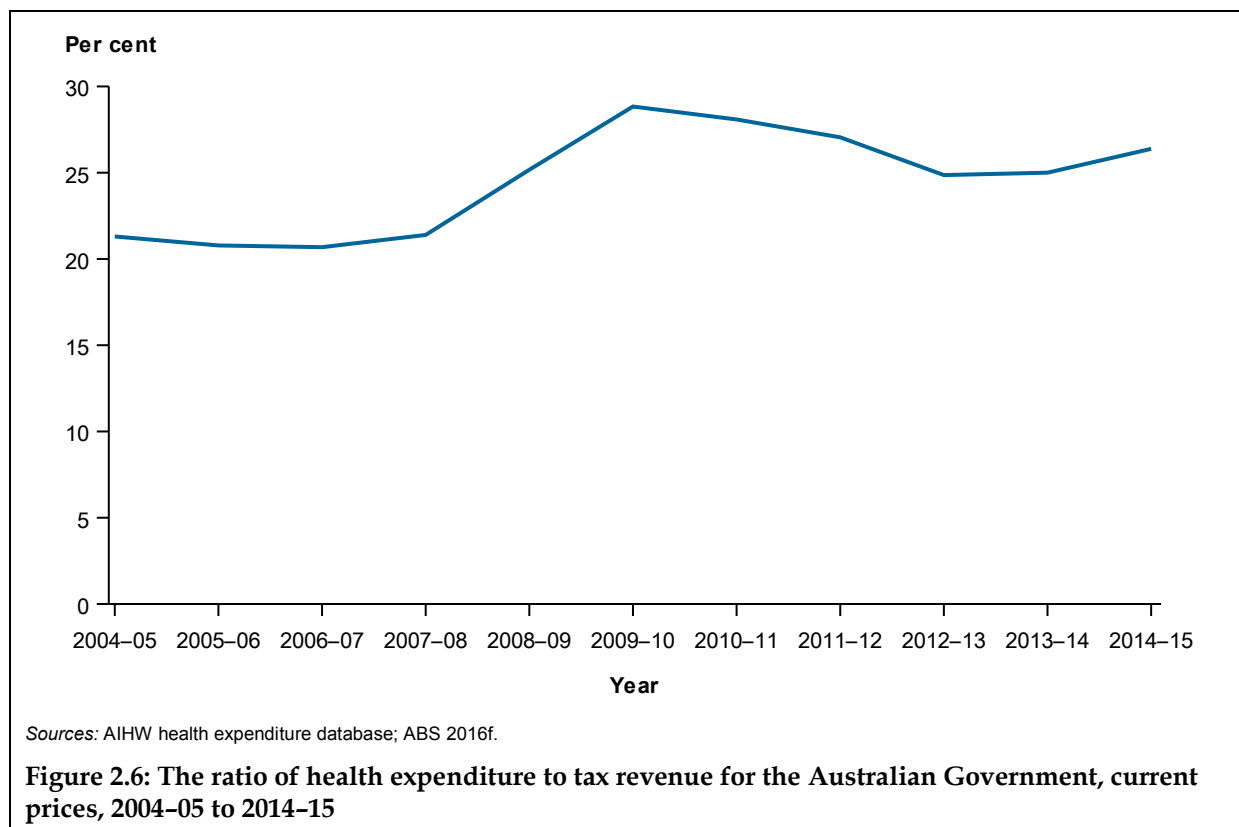
The relatively slow growth in overall tax revenue in 2014–15 was mostly driven by a decline in Australian Government tax revenues, excluding revenue from the goods and services tax (GST). Australian Government tax revenues fell by 1.5% in 2014–15 (Figure 2.5).

Growth in Australian Government health expenditure was well below the annual average growth (4.0% compared with 6.4%), but still higher than tax revenue growth, leading to a 1.4 percentage points rise in the ratio of health expenditure to taxation revenue (from 25.0% in 2013–14 to 26.4% in 2014–15) (Figure 2.5).



Sources: AIHW health expenditure database; ABS 2016f.

Figure 2.5: Health expenditure and tax revenue for the Australian Government, current prices, 2004-05 to 2014-15



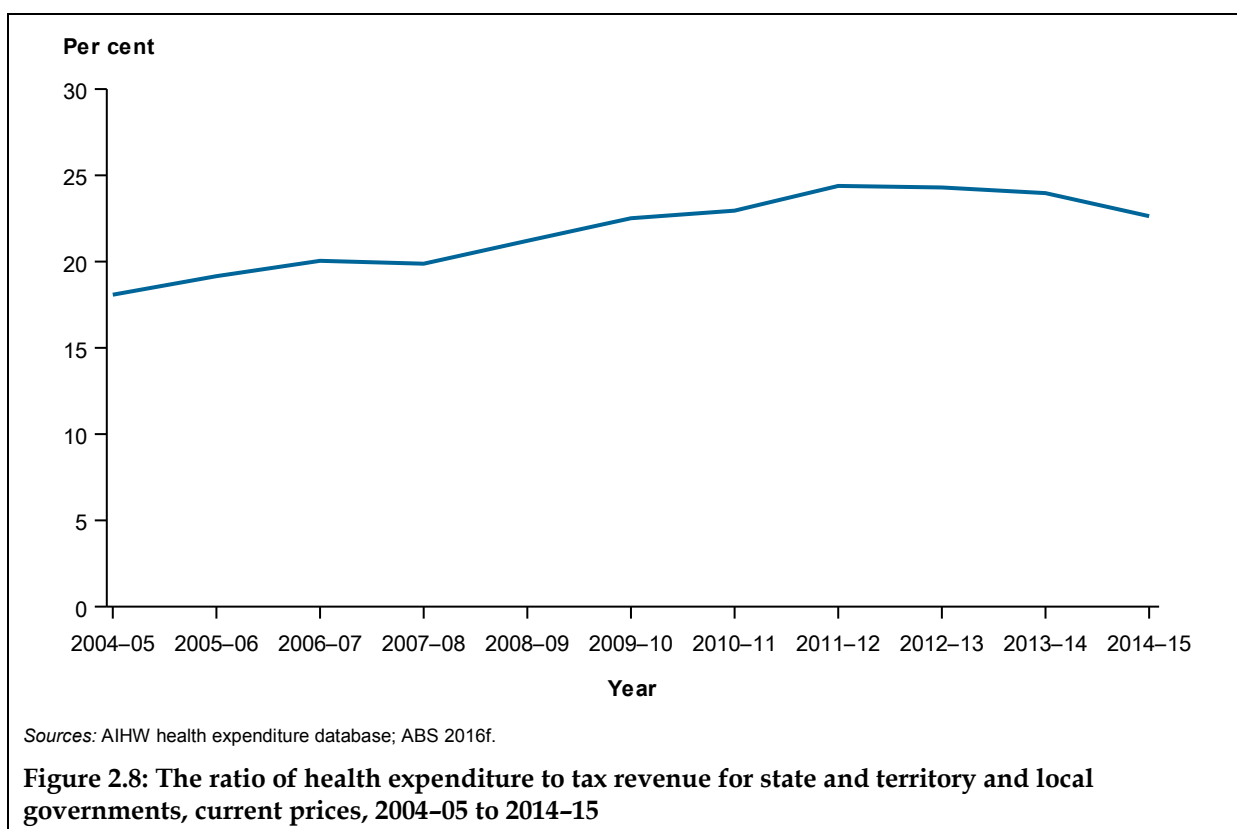
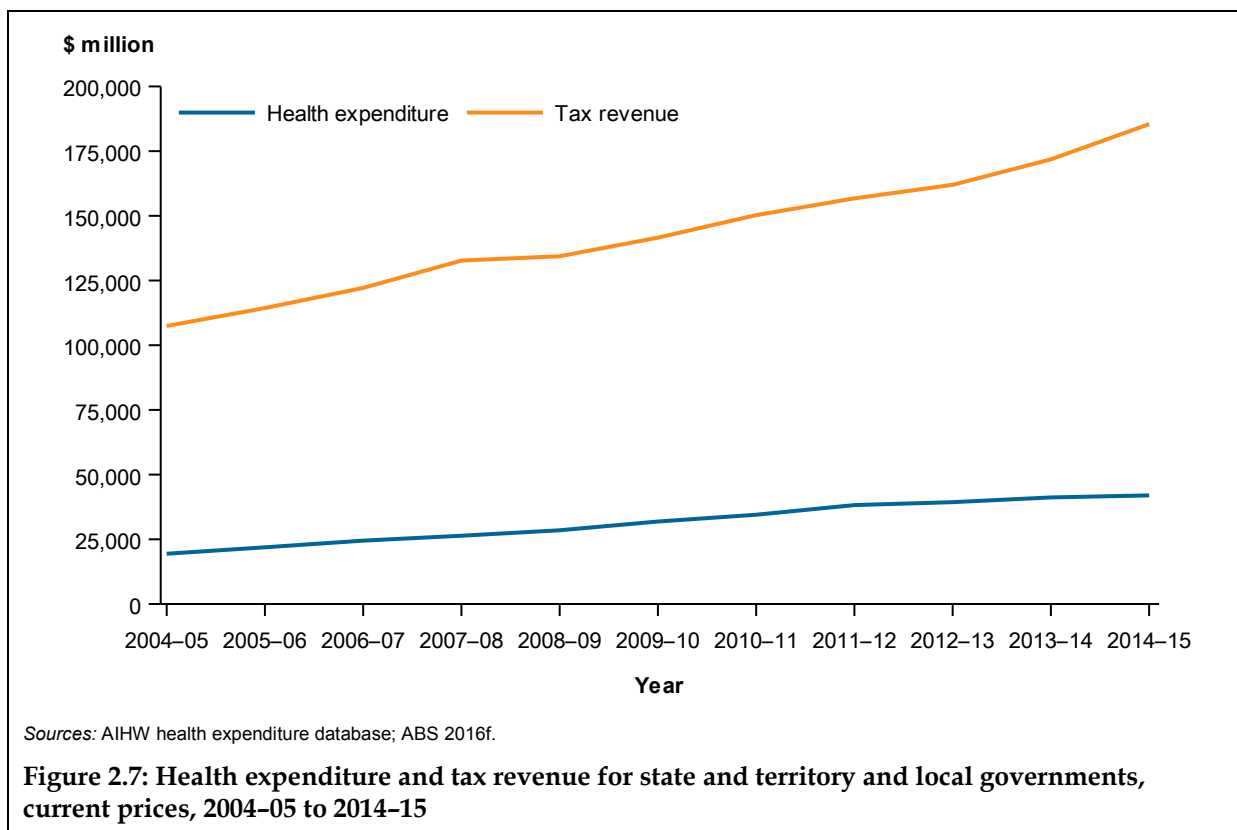
State and territory and local governments

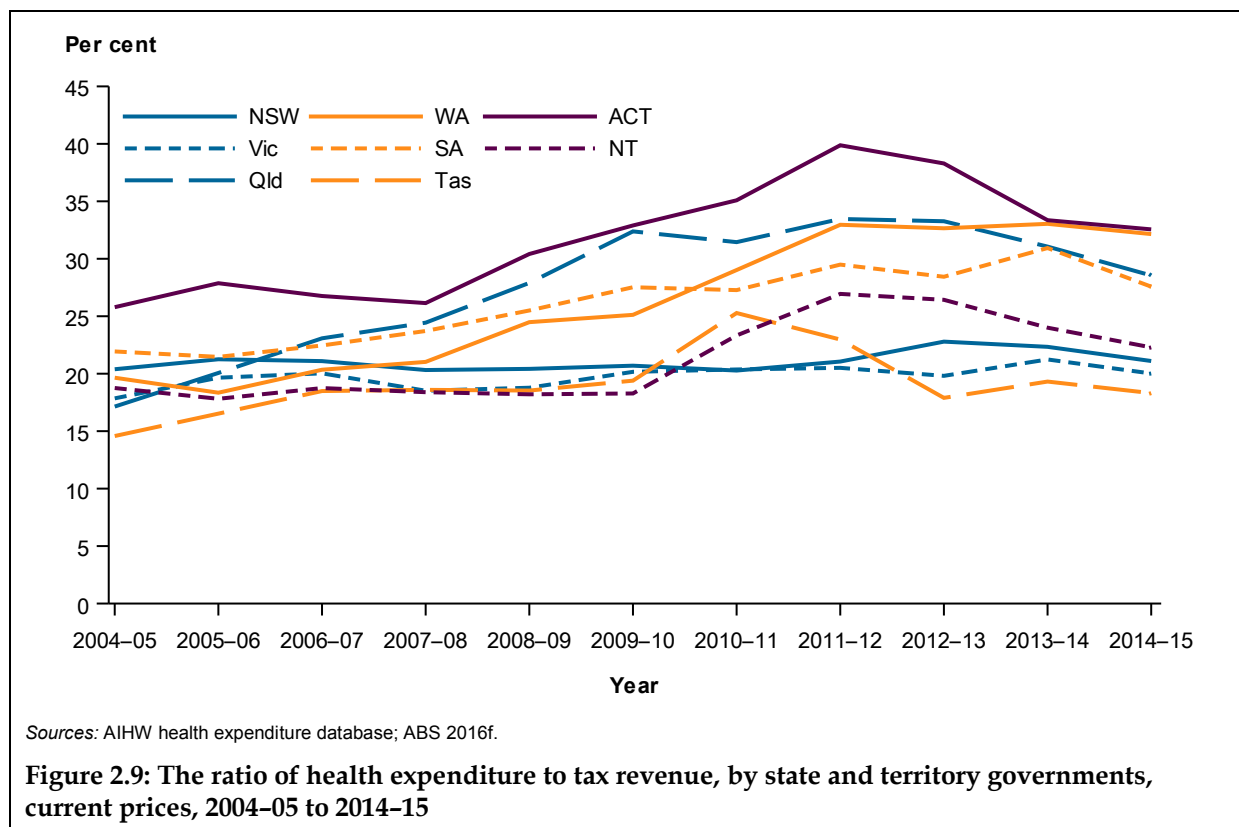
Unlike Australian Government tax revenue, in 2014-15, state and territory and local government tax revenues (including the GST) grew at a rate above the average annual growth rate for the decade (7.9% compared with 5.6%) (Figure 2.7).

In contrast, health expenditure by state and territory and local governments grew by 1.9% in 2014-15, less than a quarter of the average annual growth rate for the decade (8.0%) (Figure 2.7).

As a result, the ratio of health expenditure to revenue for state and territory and local governments fell by about 1.4 percentage points (from 24.0% in 2013-14 to 22.6% in 2014-15) (Figure 2.8). This is the third consecutive year that this ratio has declined. The decline occurred in all states and territories, although the amount varied.

South Australia had the largest decline in the ratio of health expenditure to tax revenue (3.4 percentage points). The Australian Capital Territory had the smallest decline (0.8 percentage points) (Figure 2.9).





2.3 Health expenditure per person

Assuming there are no changes in the value of the existing mix of health goods and services, health expenditure would need to grow in proportion to population growth, to maintain the same average level of supply of health goods and services per person in the community. That is, larger populations should incur higher total expenditures, to provide their members with the same average levels of health goods and services as smaller populations (ignoring the impact of economies of scale and other sources of efficiency). To account for these population differences, it is important to look at average per person health expenditure.

In 2014-15, estimated per person expenditure on health averaged \$6,846, which was \$93 more (in real terms) per person than in the previous year. This represented a 1.4% growth – less than half of the average annual growth over the decade (2.9%), and lower than the 1.6% growth the previous year (Table 2.6; Figure 2.10).

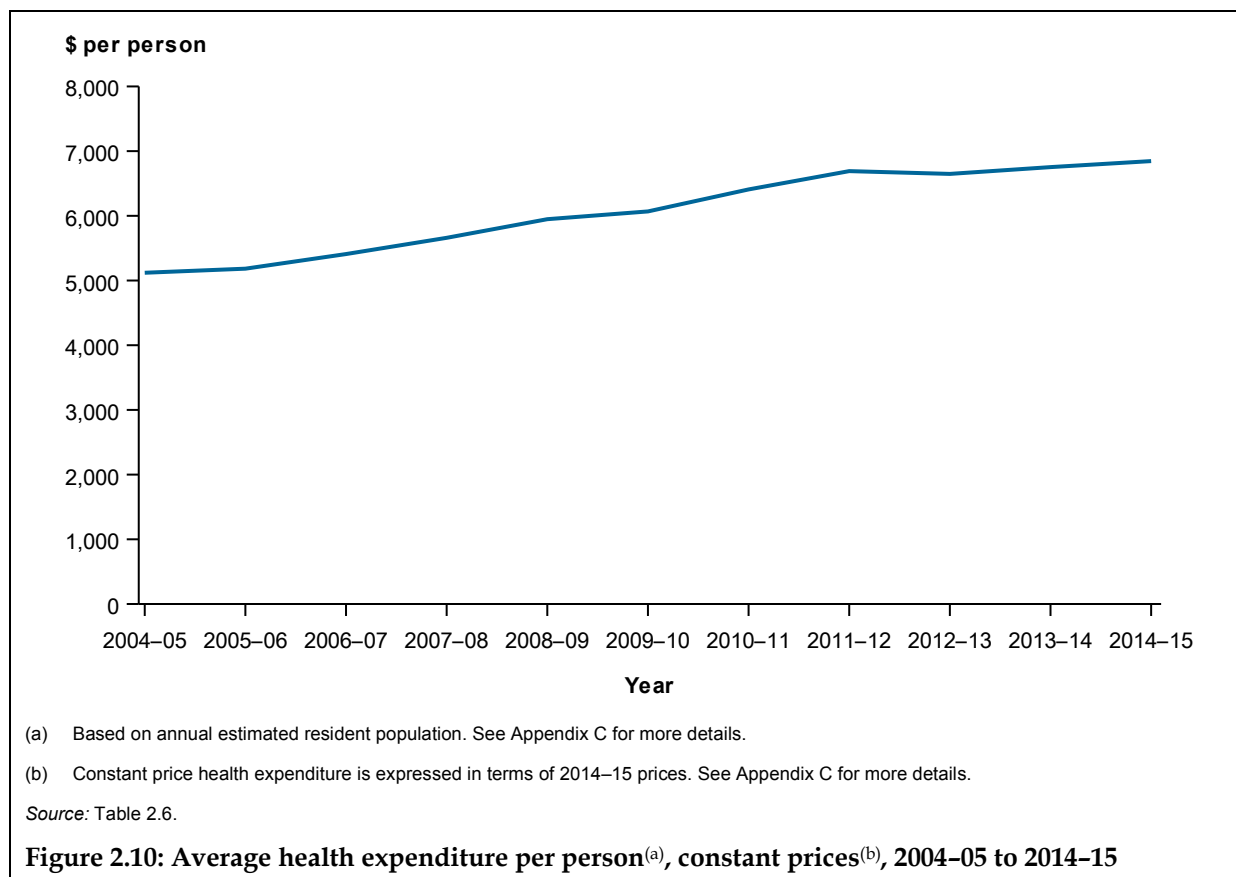
Table 2.6: Average health expenditure per person^(a), current and constant prices^(b), and annual growth rates, 2004–05 to 2014–15

Year	Amount (\$)		Annual change in expenditure (%)	
	Current	Constant	Nominal change	Real growth
2004–05	4,044	5,120	..	..
2005–06	4,268	5,183	5.5	1.2
2006–07	4,603	5,409	7.8	4.3
2007–08	4,928	5,660	7.1	4.6
2008–09	5,328	5,948	8.1	5.1
2009–10	5,567	6,068	4.5	2.0
2010–11	5,937	6,408	6.6	5.6
2011–12	6,304	6,691	6.2	4.4
2012–13	6,412	6,648	1.7	–0.6
2013–14	6,643	6,753	3.6	1.6
2014–15	6,846	6,846	3.0	1.4
Average annual growth rate (%)				
2004–05 to 2009–10	..	..	6.6	3.5
2009–10 to 2014–15	..	..	4.2	2.4
2004–05 to 2014–15	..	..	5.4	2.9

(a) Based on annual estimated resident population. See Appendix C for more details.

(b) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

Source: AIHW health expenditure database.



2.4 Recurrent health expenditure

Recurrent health expenditure is expenditure that does not result in creating or acquiring fixed assets (new or second-hand). It consists mainly of expenditure on: wages, salaries and supplements; purchases of goods and services; and consumption of fixed capital. It excludes expenditure on capital, which is included in ‘total health expenditure’ in this report.

Recurrent expenditure usually accounts for about 94–95% of total expenditure on health goods and services in a year. In 2014–15, recurrent expenditure was \$152.1 billion (94.1% of total health expenditure) (Table 2.7). The remainder was change in the health-related capital stock – capital expenditure.

Recurrent health expenditure grew in real terms by 4.5% per year between 2004–05 and 2014–15, which closely matched the growth in total health expenditure (4.6%) (Table 2.8).

Table 2.7: Total and recurrent health expenditure, current prices, and recurrent expenditure as a proportion of total health expenditure, 2004–05 to 2014–15

Year	Total health expenditure (\$ million)	Recurrent expenditure (\$ million)	Recurrent expenditure as a proportion of total health expenditure (%)
2004–05	81,061	76,781	94.7
2005–06	86,685	81,933	94.5
2006–07	94,938	89,449	94.2
2007–08	103,563	98,017	94.6
2008–09	114,401	107,934	94.3
2009–10	121,710	115,923	95.2
2010–11	131,612	124,122	94.3
2011–12	141,957	133,144	93.8
2012–13	146,953	138,347	94.1
2013–14	154,671	145,557	94.1
2014–15	161,632	152,065	94.1

Source: AIHW health expenditure database.

Table 2.8: Total and recurrent health expenditure, constant prices^(a) and annual growth rates, 2004–05 to 2014–15

Year	Total health expenditure		Recurrent expenditure	
	(\$ million)	Annual growth (%)	(\$ million)	Annual growth (%)
2004–05	102,616	..	97,489	..
2005–06	105,271	2.6	99,849	2.4
2006–07	111,558	6.0	105,430	5.6
2007–08	118,928	6.6	113,004	7.2
2008–09	127,723	7.4	121,022	7.1
2009–10	132,653	3.9	126,583	4.6
2010–11	142,057	7.1	134,268	6.1
2011–12	150,653	6.1	141,528	5.4
2012–13	152,352	1.1	143,498	1.4
2013–14	157,234	3.2	147,969	3.1
2014–15	161,632	2.8	152,065	2.8
Average annual growth rate (%)				
2004–05 to 2009–10	..	5.3	..	5.4
2009–10 to 2014–15	..	4.0	..	3.7
2004–05 to 2014–15	..	4.6	..	4.5

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

Source: AIHW health expenditure database.

Recurrent expenditure in states and territories

These state-based health expenditure estimates include estimates of expenditure incurred by all service providers and funded by all sources – state and territory governments, the Australian Government, private health insurance funds, individuals (through out-of-pocket payments) and providers of injury compensation cover. They are not limited to the areas of responsibility of state and territory governments.

Where possible, consistent estimation methods and data sources have been applied across all the states and territories, but there could be differences between jurisdictions in the data on which estimation methods are based. This means that, while some broad comparisons can be made, caution should be exercised when comparing the results across states and territories.

Of the \$152.1 billion in national recurrent health expenditure in 2014–15, more than half (55.9%) was spent in the 2 states with the highest populations – New South Wales (\$48.0 billion) and Victoria (\$37.0 billion) (Table 2.9).

Table 2.9: Recurrent health expenditure, current prices, for each state and territory, all sources of funds, 2004–05 to 2014–15 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2004–05	26,106	19,120	13,734	7,620	6,075	1,704	1,482	941	76,781
2005–06	27,386	20,401	15,199	8,035	6,446	1,851	1,569	1,047	81,933
2006–07	29,637	22,005	17,124	8,925	6,882	2,016	1,718	1,142	89,449
2007–08	32,025	23,765	19,058	10,013	7,718	2,294	1,845	1,300	98,017
2008–09	34,882	26,257	21,281	11,095	8,452	2,495	2,007	1,464	107,934
2009–10	36,967	28,660	23,297	11,724	9,047	2,608	2,120	1,500	115,923
2010–11	39,273	30,884	24,667	12,796	9,636	2,844	2,326	1,696	124,122
2011–12	41,937	32,705	26,861	13,792	10,330	2,998	2,530	1,991	133,144
2012–13	43,953	33,597	28,124	14,655	10,475	3,027	2,556	1,960	138,347
2013–14	46,192	35,264	29,605	15,601	11,073	3,178	2,666	1,978	145,557
2014–15	48,044	36,957	30,848	16,775	11,299	3,292	2,818	2,031	152,065

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

Source: AIHW health expenditure database.

Queensland had the highest average annual real growth in recurrent health expenditure between 2004–05 and 2014–15 (5.7%). The lowest annual average growth rates were in New South Wales and South Australia (3.8%).

Recurrent expenditure growth in 2014–15 was lower than the 10-year average in every state and territory except Western Australia (5.7% growth compared with 5.3% annual growth over the decade). Almost no growth in recurrent expenditure occurred in South Australia in real terms (0.1%) (Table 2.10).

Table 2.10: Recurrent health expenditure, constant prices^(a), for each state and territory, all sources of funds, and average annual growth rates, 2004–05 to 2014–15 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2004–05	33,107	23,642	17,644	10,014	7,777	2,147	1,929	1,228	97,489
2005–06	33,101	24,324	18,861	10,130	7,923	2,241	1,952	1,317	99,849
2006–07	34,572	25,500	20,502	10,858	8,186	2,358	2,072	1,381	105,430
2007–08	36,533	27,070	22,280	11,843	8,945	2,630	2,168	1,536	113,004
2008–09	38,914	29,068	24,144	12,662	9,504	2,780	2,285	1,664	121,022
2009–10	40,237	31,033	25,605	12,988	9,907	2,827	2,330	1,655	126,583
2010–11	42,427	33,078	26,789	14,062	10,470	3,065	2,519	1,858	134,268
2011–12	44,507	34,581	28,648	14,782	11,020	3,171	2,689	2,130	141,528
2012–13	45,513	34,777	29,232	15,265	10,896	3,131	2,638	2,047	143,498
2013–14	46,944	35,799	30,101	15,876	11,286	3,238	2,714	2,011	147,969
2014–15	48,044	36,957	30,848	16,775	11,299	3,292	2,818	2,031	152,065
Average annual growth rate (%)									
2004–05 to 2009–10	4.0	5.6	7.7	5.3	5.0	5.7	3.8	6.1	5.4
2009–10 to 2014–15	3.6	3.6	3.8	5.3	2.7	3.1	3.9	4.2	3.7
2004–05 to 2014–15	3.8	4.6	5.7	5.3	3.8	4.4	3.9	5.2	4.5

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

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

Source: AIHW health expenditure database.

Recurrent expenditure per person

Average recurrent health expenditure per person varies from state to state for various reasons, such as differences in socioeconomic and demographic profiles. Health policy initiatives that the state or territory government and the Australian Government pursue also influence health expenditure per person in a particular state or territory.

The per person recurrent health expenditure estimates for individual states and territories must always be treated with caution. The estimates on which they are based include expenditures on health goods and services provided to patients from other states and territories. The population that provides the denominator in the calculation is, however, the resident population of the state or territory in which the expenditure was incurred. This particularly affects the estimates for the Australian Capital Territory, due to its relatively unique cross-border circumstances with New South Wales, which renders it a principal health service area for the surrounding regional centres in New South Wales. As a result, per person estimates for the Australian Capital Territory are not reported in this publication. The Australian Capital Territory data are included in the national estimates.

In 2014–15, the estimated national average level of recurrent expenditure on health was \$6,440 per person. The Northern Territory had the highest per person recurrent expenditure (\$8,352) (Table 2.11; Figure 2.11).

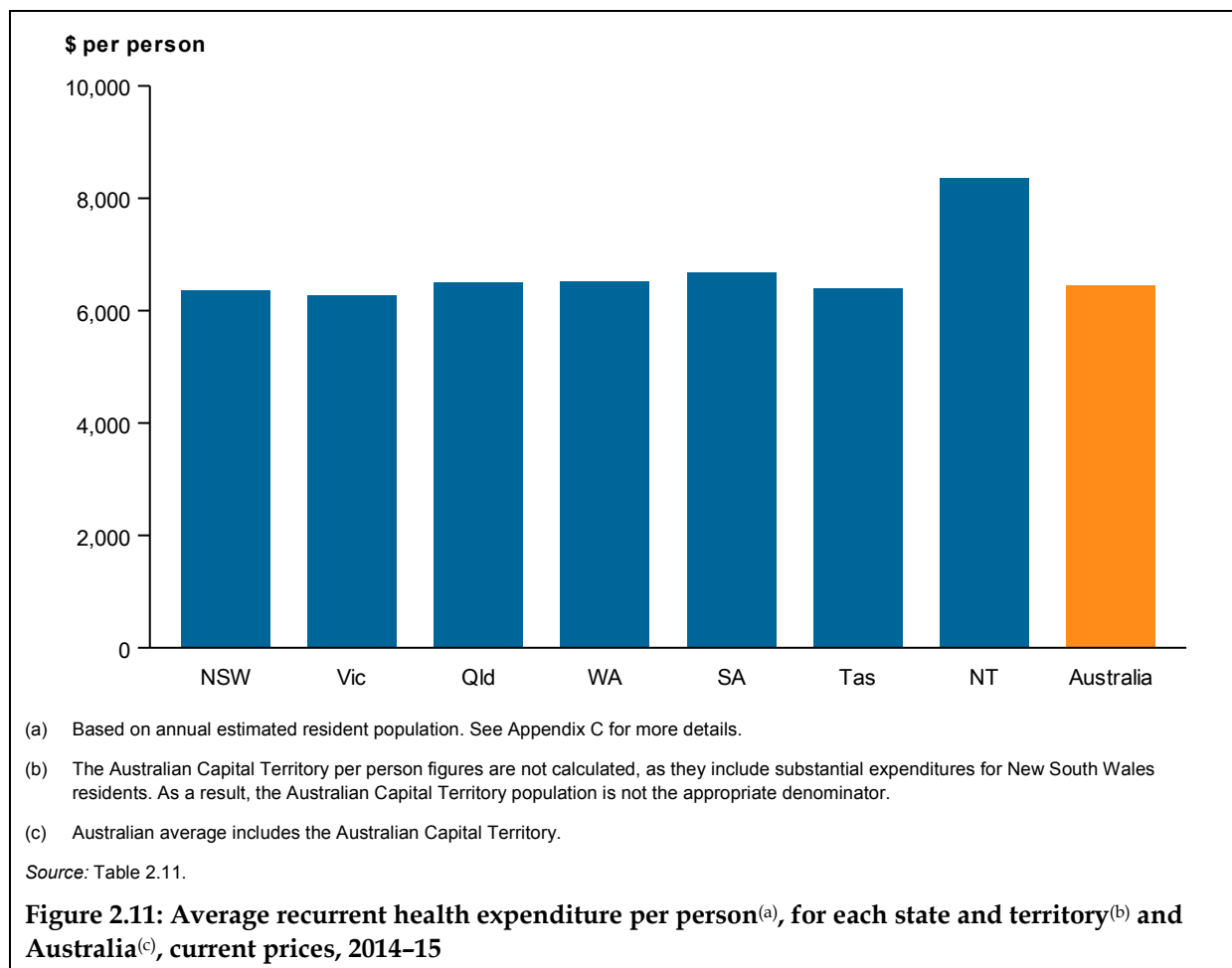


Table 2.11: Average recurrent health expenditure per person^(a), current prices, for each state and territory^(b), all sources of funds, 2004–05 to 2014–15 (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	NT	Australia ^(c)
2004–05	3,914	3,857	3,547	3,821	3,964	3,515	4,615	3,831
2005–06	4,076	4,061	3,834	3,958	4,172	3,793	5,050	4,034
2006–07	4,367	4,311	4,222	4,297	4,408	4,102	5,410	4,337
2007–08	4,652	4,571	4,581	4,690	4,889	4,627	6,000	4,664
2008–09	4,982	4,942	4,977	5,023	5,289	4,971	6,581	5,027
2009–10	5,206	5,289	5,334	5,179	5,590	5,149	6,587	5,302
2010–11	5,470	5,620	5,560	5,518	5,903	5,573	7,364	5,599
2011–12	5,775	5,858	5,945	5,767	6,272	5,855	8,558	5,913
2012–13	5,974	5,914	6,102	5,910	6,302	5,907	8,192	6,037
2013–14	6,192	6,096	6,319	6,151	6,604	6,183	8,143	6,252
2014–15	6,351	6,278	6,496	6,520	6,680	6,389	8,352	6,440
Percentage variation from the national average (%)								
2004–05	2.2	0.7	-7.4	-0.3	3.5	-8.3	20.5	..
2005–06	1.0	0.7	-5.0	-1.9	3.4	-6.0	25.2	..
2006–07	0.7	-0.6	-2.6	-0.9	1.6	-5.4	24.7	..
2007–08	-0.3	-2.0	-1.8	0.5	4.8	-0.8	28.6	..
2008–09	-0.9	-1.7	-1.0	-0.1	5.2	-1.1	30.9	..
2009–10	-1.8	-0.3	0.6	-2.3	5.4	-2.9	24.2	..
2010–11	-2.3	0.4	-0.7	-1.4	5.4	-0.5	31.5	..
2011–12	-2.3	-0.9	0.5	-2.5	6.1	-1.0	44.7	..
2012–13	-1.0	-2.0	1.1	-2.1	4.4	-2.2	35.7	..
2013–14	-1.0	-2.5	1.1	-1.6	5.6	-1.1	30.3	..
2014–15	-1.4	-2.5	0.9	1.2	3.7	-0.8	29.7	..

(a) Based on annual estimated resident population. See Appendix C for more details.

(b) The Australian Capital Territory per person figures are not calculated, as they include substantial expenditures for New South Wales residents. As a result, the Australian Capital Territory population is not the appropriate denominator.

(c) Australian average includes the Australian Capital Territory.

Source: AIHW health expenditure database.

Table 2.12 shows the average recurrent health expenditure per person after adjusting for the effects of inflation. Over the decade, health expenditure rose by \$1,576 per person – from \$4,864 in 2004–05 to \$6,440 in 2014–15, an annual average growth rate of 2.8%.

Table 2.12: Average recurrent health expenditure per person^(a), constant prices^(b), for each state and territory^(c), all sources of funds, 2004–05 to 2014–15 (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	NT	Australia ^(d)
2004–05	4,964	4,769	4,557	5,022	5,075	4,429	6,025	4,864
2005–06	4,927	4,842	4,758	4,990	5,128	4,592	6,351	4,916
2006–07	5,095	4,996	5,055	5,228	5,243	4,797	6,544	5,112
2007–08	5,307	5,206	5,356	5,547	5,667	5,303	7,089	5,378
2008–09	5,558	5,471	5,647	5,732	5,948	5,540	7,480	5,636
2009–10	5,666	5,726	5,863	5,738	6,121	5,583	7,267	5,790
2010–11	5,909	6,019	6,038	6,064	6,414	6,007	8,069	6,056
2011–12	6,129	6,194	6,340	6,181	6,691	6,193	9,153	6,285
2012–13	6,187	6,122	6,343	6,156	6,555	6,110	8,552	6,261
2013–14	6,293	6,189	6,425	6,260	6,731	6,300	8,280	6,355
2014–15	6,351	6,278	6,496	6,520	6,680	6,389	8,352	6,440

(a) Based on annual estimated resident population. See Appendix C for more details.

(b) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(c) The Australian Capital Territory per person averages are not calculated, as they include substantial expenditures for New South Wales residents. As a result, the Australian Capital Territory population is not the appropriate denominator.

(d) Australian average includes the Australian Capital Territory.

Source: AIHW health expenditure database.

Western Australia (4.2%) was the only state or territory with a growth in per person recurrent expenditure above its 10-year average annual growth in real terms (2.6%). South Australia's expenditure declined by 0.8% and the other states and territories grew by less than 1.5% (Table 2.13).

Table 2.13: Annual growth in recurrent health expenditure per person^(a), constant prices^(b), for each state and territory^(c), all sources of funds, 2004–05 to 2014–15 (%)

Period	NSW	Vic	Qld	WA	SA	Tas	NT	Australia ^(d)
2004–05 to 2005–06	–0.7	1.5	4.4	–0.6	1.1	3.7	5.4	1.1
2005–06 to 2006–07	3.4	3.2	6.2	4.8	2.2	4.5	3.0	4.0
2006–07 to 2007–08	4.2	4.2	6.0	6.1	8.1	10.6	8.3	5.2
2007–08 to 2008–09	4.7	5.1	5.4	3.3	5.0	4.5	5.5	4.8
2008–09 to 2009–10	1.9	4.7	3.8	0.1	2.9	0.8	–2.8	2.7
2009–10 to 2010–11	4.3	5.1	3.0	5.7	4.8	7.6	11.0	4.6
2010–11 to 2011–12	3.7	2.9	5.0	1.9	4.3	3.1	13.4	3.8
2011–12 to 2012–13	0.9	–1.2	—	–0.4	–2.0	–1.3	–6.6	–0.4
2012–13 to 2013–14	1.7	1.1	1.3	1.7	2.7	3.1	–3.2	1.5
2013–14 to 2014–15	0.9	1.4	1.1	4.2	–0.8	1.4	0.9	1.3
Average annual growth rate (%)								
2004–05 to 2009–10	2.7	3.7	5.2	2.7	3.8	4.7	3.8	3.5
2009–10 to 2014–15	2.3	1.9	2.1	2.6	1.8	2.7	2.8	2.2
2004–05 to 2014–15	2.5	2.8	3.6	2.6	2.8	3.7	3.3	2.8

(a) Based on annual estimated resident population. See Appendix C for more details.

(b) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(c) The Australian Capital Territory per person figures are not calculated, as they include substantial expenditures for New South Wales residents. As a result, the Australian Capital Territory population is not the appropriate denominator.

(d) Australian average includes the Australian Capital Territory.

Source: Table 2.12.

2.5 International comparisons

In addition to domestic reporting of the National Health Accounts presented elsewhere in this report, the AIHW produces the National Health Accounts according to the Organisation for Economic Co-operation and Development's (OECD) System of Health Accounts method (see Box 2.2). This system has been developed to support international comparison between OECD member countries.

This section provides a summary of the available System of Health Account data for OECD member countries, including the latest data for Australia.

Box 2.2: Australian health expenditure using the OECD System of Health Accounts framework

The format that the AIHW has used for domestic reporting of expenditure on health since 1985 is based on the format the World Health Organization adopted during the 1970s.

Data in this section are reported according to the System of Health Accounts – in particular, the 2011 version (OECD, Eurostat & WHO 2011). It is the first time this version has been used. These data incorporate various changes to the System of Health Account method, and do not include capital expenditure as in previous years. As a result, the data presented here are not comparable with previous editions of this report.

The System of Health Account data are also not comparable with the data presented elsewhere in this report as they do not include the same scope of expenditure. For example, the following items are not included in the System of Health Account, but are in the other data:

- capital formation of health-care provider institutions
- research and development in health
- food, hygiene and drinking water control
- environmental health.

The comparison of average health expenditure per person in this section is done using a common currency unit. This is achieved using purchasing power parities, sourced from the OECD, for the whole of GDP for each country, to convert its expenditures into Australian dollars. The purchasing power parities for the whole of GDP are used, due to the poor reliability of health-specific purchasing power parities.

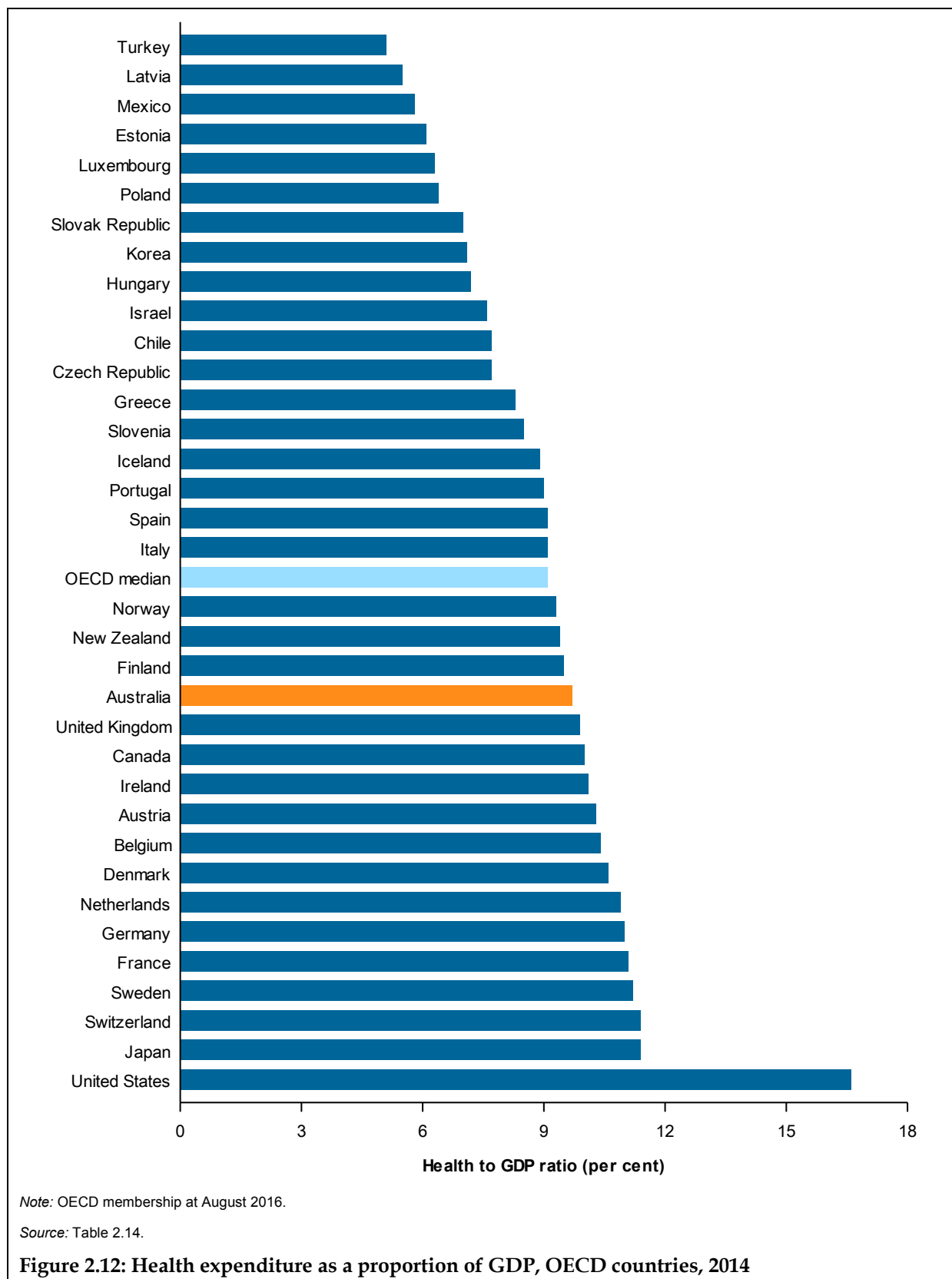
While the OECD data refer to a common year, the months that the data cover differ between countries. Australia's OECD data for 2014, for example, are for the 2014–15 Australian financial year. Information on the time period covered for each country is at <https://data.oecd.org/healthres/health-spending.htm>.

Health expenditure to GDP ratio

The global financial crisis had a significant impact on the health to GDP ratio in many OECD countries. Between 2008 and 2009 the OECD median grew by 0.7 percentage points. This was the largest annual growth in the decade by more than 3 times. Since 2009, the OECD median health to GDP ratio has fluctuated between 8.9% and 9.1%, with no clear trend (Table 2.14).

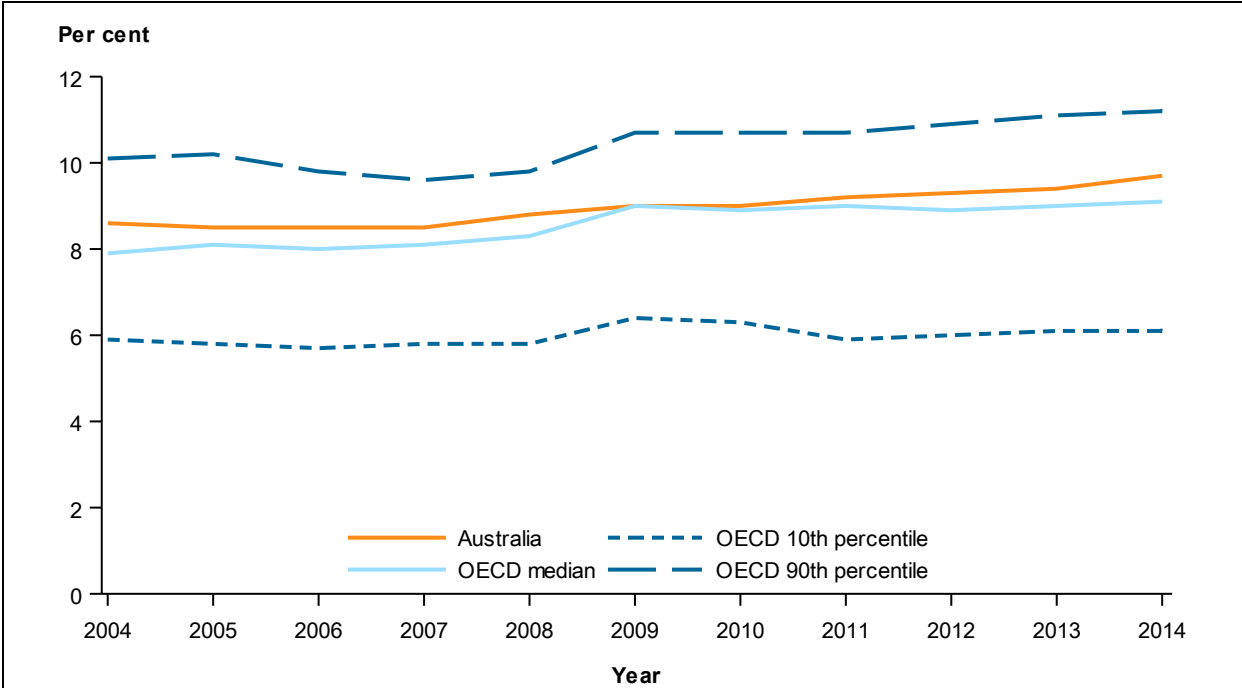
In contrast, Australia's health to GDP ratio has grown from 9.0% in 2009 and 2010 to 9.7% in 2014. This has created the largest gap between the OECD median and the Australian health to GDP ratio since 2004 (0.6 percentage points in 2014 and 0.7 in 2004) (Table 2.14; Figure 2.13).

In 2014, Australia's health to GDP ratio was within 0.3 percentage points of New Zealand (9.4%), Finland (9.5%), the United Kingdom (9.9%) and Canada (10.0%) (Table 2.14; Figure 2.12).



Average per person expenditure on health in Australia rose in real terms by \$1,378 – from \$5,279 in 2004 to \$6,657 in 2014. The OECD median expenditure over the same period rose by \$1,613 – from \$4,078 to \$5,691 per person (Table 2.15; Figure 2.14). This suggests that growth in per person expenditure across the OECD was higher than in Australia over the period.

The United States was by far the highest spender on health care, spending 16.6% of GDP in 2014 (Table 2.14; Figure 2.12). The average expenditure per person for the United States (\$13,266) was around twice that of Australia (Table 2.15).



(a) Expenditure based on the OECD System of Health Accounts framework.

Source: Table 2.14.

Figure 2.13: Total health expenditure^(a) as a proportion of GDP, compared with the OECD median and 10th and 90th percentiles, 2004–2014

Table 2.14: Health expenditure^(a) to GDP ratio, OECD countries, 2004–2014 (%)

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
United States	14.5	14.5	14.7	14.9	15.3	16.4	16.4	16.4	16.4	16.4	16.6
Switzerland	10.4	10.3	9.8	9.6	9.8	10.4	10.5	10.6	11.0	11.2	11.4
Japan	7.9	8.1	8.1	8.2	8.5	9.4	9.5	11.1	11.2	11.3	11.4
Sweden	8.3	8.3	8.2	8.1	8.3	8.9	8.5	10.7	10.9	11.1	11.2
France	10.1	10.2	10.1	10.0	10.1	10.8	10.7	10.7	10.8	10.9	11.1
Germany	10.1	10.2	10.1	10.0	10.1	11.1	11.0	10.7	10.8	10.9	11.0
Netherlands	8.5	9.4	9.3	9.3	9.5	10.3	10.4	10.5	10.9	10.9	10.9
Denmark	9.0	9.1	9.2	9.3	9.5	10.7	10.4	10.2	10.3	10.3	10.6
Belgium	9.1	9.0	8.9	9.0	9.4	10.1	9.9	10.1	10.2	10.4	10.4
Austria	9.6	9.6	9.5	9.5	9.6	10.1	10.1	9.9	10.1	10.1	10.3
Ireland	7.2	7.7	7.5	7.8	9.1	10.5	10.6	9.9	10.1	10.5	10.1
Canada	9.1	9.1	9.2	9.3	9.5	10.6	10.7	10.3	10.3	10.2	10.0
United Kingdom	7.3	7.4	7.5	7.6	7.9	8.7	8.5	8.4	8.5	9.9	9.9
Australia	8.6	8.5	8.5	8.5	8.8	9.0	9.0	9.2	9.3	9.4	9.7
Finland	7.8	8.0	8.0	7.8	8.1	8.9	8.9	9.0	9.3	9.5	9.5
New Zealand	7.9	8.3	8.6	8.3	9.1	9.7	9.7	9.6	9.7	9.4	9.4
Norway	8.8	8.3	7.9	8.1	8.0	9.1	8.9	8.8	8.8	8.9	9.3
Spain	7.6	7.7	7.8	7.8	8.3	9.0	9.0	9.1	9.1	9.0	9.1
Italy	8.2	8.4	8.5	8.2	8.6	9.0	9.0	8.8	8.8	8.8	9.1
Portugal	9.3	9.4	9.1	9.1	9.4	9.9	9.8	9.5	9.3	9.1	9.0
Iceland	9.6	9.2	8.9	8.7	8.8	9.1	8.8	8.6	8.7	8.8	8.9
Slovenia	7.9	8.0	7.8	7.5	7.8	8.6	8.6	8.5	8.7	8.8	8.5
Greece	7.9	9.0	9.0	9.1	9.8	9.8	9.9	9.5	8.9	8.7	8.3
Chile	6.8	6.6	6.0	6.1	6.7	7.1	6.7	6.7	7.0	7.3	7.7
Czech Republic	6.4	6.4	6.2	6.0	6.4	7.3	6.9	7.0	7.1	7.0	7.7
Israel	7.0	7.1	6.9	6.9	7.0	7.0	7.0	7.0	7.1	7.4	7.6
Hungary	7.8	8.0	7.8	7.3	7.1	7.3	7.6	7.6	7.5	7.3	7.2
Korea	4.7	5.0	5.4	5.6	5.8	6.3	6.4	6.5	6.6	6.8	7.1
Slovak Republic	6.5	6.6	6.9	7.2	7.0	8.0	7.8	7.4	7.7	7.6	7.0
Poland	5.9	5.8	5.8	5.9	6.4	6.6	6.4	6.2	6.2	6.4	6.4
Luxembourg	7.4	7.3	6.8	6.3	6.6	7.5	7.1	6.2	6.7	6.5	6.3
Estonia	5.1	5.0	4.9	5.0	5.7	6.5	6.3	5.8	5.8	6.0	6.1

(continued)

Table 2.14 (continued): Health expenditure^(a) to GDP ratio, OECD countries, 2004–2014 (%)

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mexico	6.0	5.9	5.7	5.8	5.9	6.4	6.2	5.9	6.0	6.1	5.8
Latvia	6.2	5.9	5.7	5.8	5.6	6.2	6.2	5.6	5.4	5.4	5.5
Turkey	5.1	5.1	5.4	5.5	5.5	5.8	5.3	5.0	5.0	5.1	5.1
10th percentile^(b)	5.9	5.8	5.7	5.8	5.8	6.4	6.3	5.9	6.0	6.1	6.1
Median	7.9	8.1	8.0	8.1	8.3	9.0	8.9	9.0	8.9	9.0	9.1
90th percentile^(b)	10.1	10.2	9.8	9.6	9.8	10.7	10.7	10.7	10.9	11.1	11.2

(a) Expenditure based on the OECD System of Health Accounts framework.

(b) The 10th (90th) percentile is the health to GDP ratio below which 10% (90%) of the OECD countries health to GDP ratio lies.

Notes

1. Expenditures converted to Australian dollar values using GDP purchasing power parities.
2. OECD membership at August 2016.

Sources: AIHW health expenditure database; OECD 2016.

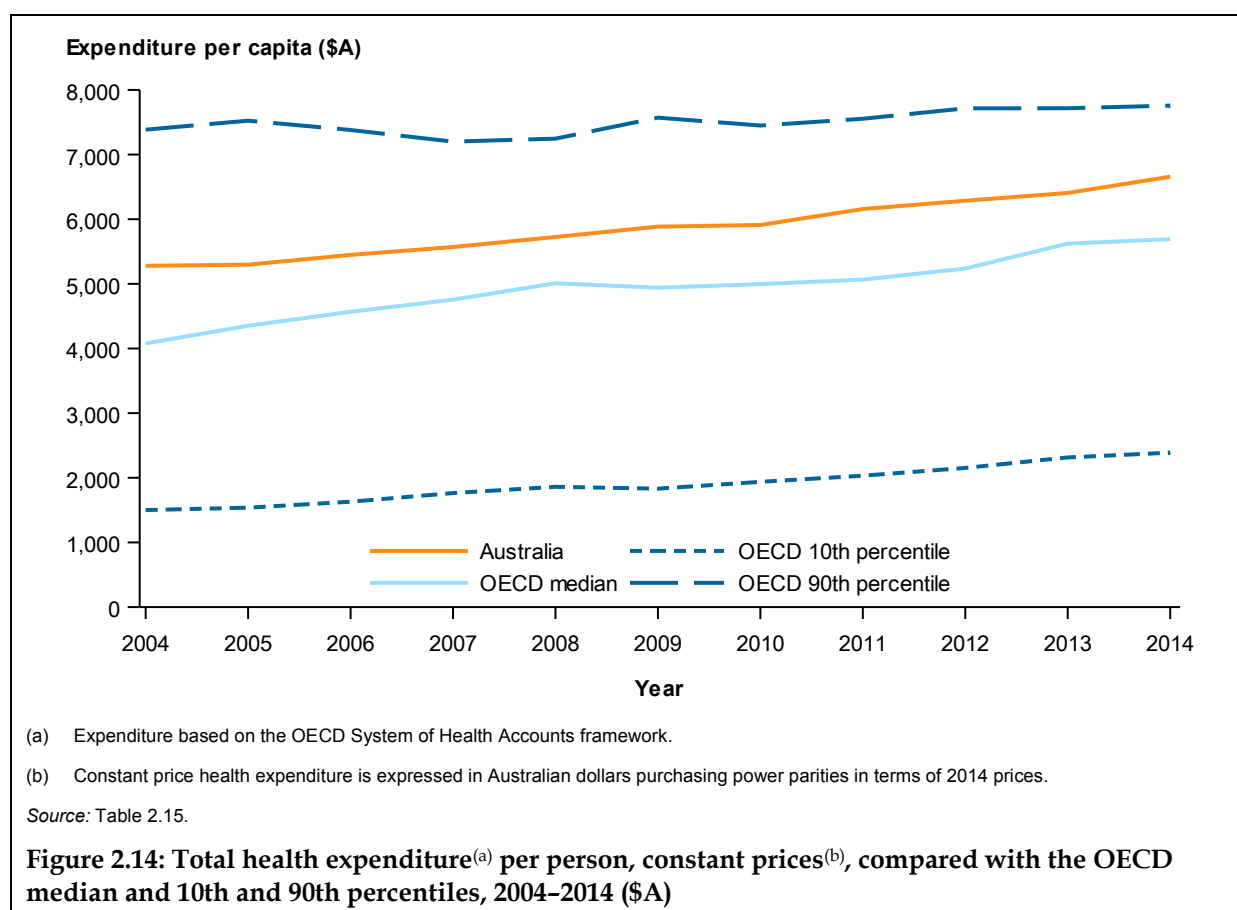


Table 2.15: Health expenditure^(a) per person, constant prices^(b), OECD countries, 2004–2014 (\$A)

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
United States	10,930	11,196	11,475	11,758	11,936	12,279	12,517	12,637	12,791	12,877	13,266
Switzerland	8,233	8,294	8,197	8,312	8,521	8,748	8,974	9,165	9,501	9,721	9,977
Norway	7,386	7,524	7,561	7,746	8,034	8,197	8,176	8,406	8,579	8,670	8,940
Netherlands	5,690	6,405	6,544	6,779	7,029	7,237	7,430	7,554	7,715	7,717	7,757
Germany	5,952	6,084	6,226	6,346	6,553	6,800	7,002	7,063	7,257	7,373	7,526
Sweden	5,031	5,162	5,298	5,380	5,466	5,529	5,513	7,068	7,166	7,301	7,446
Ireland	4,906	5,411	5,496	5,854	6,550	7,068	7,107	6,774	6,925	7,249	7,352
Austria	6,226	6,273	6,384	6,591	6,783	6,850	6,945	6,974	7,152	7,136	7,198
Denmark	6,071	6,253	6,526	6,662	6,723	7,141	7,038	6,942	6,940	6,917	7,140
Australia	5,279	5,296	5,448	5,570	5,725	5,885	5,911	6,158	6,286	6,406	6,657
Belgium	5,546	5,585	5,629	5,803	6,044	6,328	6,330	6,467	6,500	6,591	6,648
Canada	5,582	5,685	5,870	5,996	6,103	6,546	6,736	6,594	6,629	6,646	6,609
Luxembourg	7,826	7,704	7,380	7,200	7,246	7,571	7,449	6,487	6,668	6,620	6,585
France	5,693	5,773	5,798	5,855	5,907	6,103	6,139	6,231	6,271	6,346	6,420
Japan	4,009	4,148	4,227	4,347	4,479	4,676	4,938	5,740	5,945	6,089	6,104
United Kingdom	4,078	4,244	4,401	4,530	4,609	4,828	4,751	4,793	4,849	5,747	5,838
Iceland	5,627	5,640	5,577	5,822	5,831	5,736	5,379	5,362	5,433	5,623	5,729
Finland	4,585	4,813	4,993	5,112	5,292	5,302	5,430	5,594	5,695	5,750	5,691
New Zealand	3,923	4,198	4,439	4,397	4,716	5,034	5,020	5,066	5,237	5,127	5,200
Italy	4,724	4,846	4,986	4,858	5,008	4,941	4,996	4,949	4,801	4,640	4,714
Spain	3,882	3,989	4,128	4,249	4,473	4,630	4,628	4,604	4,479	4,371	4,488
Slovenia	3,234	3,374	3,480	3,555	3,840	3,828	3,858	3,865	3,836	3,803	3,821
Portugal	3,992	4,075	4,001	4,061	4,192	4,292	4,345	4,146	3,919	3,788	3,798
Israel	2,845	2,951	2,987	3,099	3,175	3,175	3,271	3,367	3,453	3,649	3,745
Czech Republic	2,460	2,614	2,704	2,756	2,968	3,221	3,121	3,200	3,195	3,170	3,508
Korea	1,693	1,878	2,123	2,303	2,422	2,645	2,846	2,963	3,081	3,250	3,471
Greece	3,825	4,352	4,568	4,755	5,091	4,859	4,631	4,050	3,567	3,400	3,264
Slovak Republic	1,867	2,030	2,289	2,657	2,717	2,931	3,016	2,945	3,075	3,075	2,897
Hungary	2,569	2,768	2,811	2,617	2,601	2,485	2,603	2,664	2,604	2,588	2,641
Estonia	1,600	1,713	1,886	2,087	2,246	2,196	2,182	2,166	2,281	2,395	2,535
Chile	1,431	1,502	1,567	1,673	1,723	1,832	1,937	2,032	2,153	2,327	2,482
Poland	1,501	1,538	1,630	1,764	2,001	2,122	2,136	2,177	2,200	2,315	2,389

(continued)

Table 2.15 (continued): Health expenditure^(a) per person, constant prices^(b), OECD countries, 2004–2014 (\$A)

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Latvia	1,508	1,588	1,757	1,959	1,860	1,771	1,738	1,707	1,750	1,811	1,904
Mexico	1,426	1,423	1,425	1,479	1,493	1,528	1,539	1,497	1,582	1,606	1,548
Turkey	1,107	1,188	1,320	1,394	1,383	1,369	1,353	1,369	1,359	1,433	1,456
10th percentile^(c)	1,501	1,538	1,630	1,764	1,860	1,832	1,937	2,032	2,153	2,315	2,389
Median	4,078	4,352	4,568	4,755	5,008	4,941	4,996	5,066	5,237	5,623	5,691
90th percentile^(c)	7,386	7,524	7,380	7,200	7,246	7,571	7,449	7,554	7,715	7,717	7,757

(a) Expenditure based on the OECD System of Health Accounts framework.

(b) Constant price health expenditure is expressed in Australian dollars purchasing power parities in terms of 2014 prices.

(c) The 10th (90th) percentile is the per person expenditure below which 10% (90%) of the OECD countries health expenditure lies.

Notes

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

2. OECD membership at August 2016.

Sources: AIHW health expenditure database; OECD 2016.

3 Sources of funds

Health expenditure is considered here in terms of the main entities that spend money on health in Australia. This includes the Australian Government, state and territory governments and non-government entities, such as individuals and private health insurers (referred to as source of funds). Consideration is given to expenditure on the main types of health services, including recurrent and capital expenditure, and how expenditure in these areas is changing over time.

3.1 Broad trends

In 2014–15, governments spent \$108.2 billion on health, or 66.9% of total health expenditure (recurrent plus capital) in Australia. The proportion that governments funded in 2014–15 was 0.9 percentage points lower than in 2013–14, the third consecutive year this has declined (tables 3.1 and 3.2).

In 2014–15, the decline in the overall government contribution was mostly driven by a reduction in the state and territory share. The Australian Government contributed \$66.2 billion or 41.0% of total expenditure – down from 41.2% in 2013–14. The state and territory governments contributed \$42.0 billion, or 26.0% of total spending – down from 26.6% in 2013–14 (tables 3.1 and 3.2).

Non-government sources (individuals, private health insurance and other non-government sources) provided the remaining \$53.4 billion (33.1%).

The health insurance funds' share of total expenditure rose between 2011–12 and 2014–15 by 1.3 percentage points (from 7.4% to 8.7%). This coincided with a fall in the Australian Government's share by 2.0 percentage points over the same period, and the introduction of means testing of the private health insurance rebate in July 2012.

Expenditure by health insurance funds in this report equates to the total benefits paid minus the subsidies received from the Australian Government. The introduction of means testing has had the effect of reducing the subsidies paid by the Australian Government on private health insurance premiums without an equivalent reduction in benefits paid (tables 3.1, 3.2 and 3.14).

Table 3.1: Total health expenditure, by source of funds, current prices, 2004–05 to 2014–15 (\$ million)

Year	Government			Non-government			Total
	Australian Government	State/territory and local	Total	Health insurance funds	Individuals	Other ^(a)	
2004–05	35,559	19,426	54,985	6,220	14,064	5,792	26,076
2005–06	37,144	21,907	59,051	6,578	15,038	6,018	27,634
2006–07	39,948	24,485	64,434	7,216	16,478	6,811	30,505
2007–08	44,854	26,379	71,234	7,862	17,334	7,133	32,330
2008–09	50,160	28,493	78,653	8,845	19,334	7,570	35,748
2009–10	53,076	31,870	84,946	9,145	20,766	6,854	36,765
2010–11	56,676	34,490	91,166	9,841	23,199	7,406	40,446
2011–12	61,092	38,224	99,316	10,459	24,121	8,061	42,641
2012–13	61,022	39,351	100,373	11,849	26,172	8,560	46,580
2013–14	63,701	41,181	104,882	12,877	27,402	9,511	49,789
2014–15	66,217	41,967	108,185	14,028	28,602	10,818	53,447

(a) Largely funding by injury compensation insurers.

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

Source: AIHW health expenditure database.

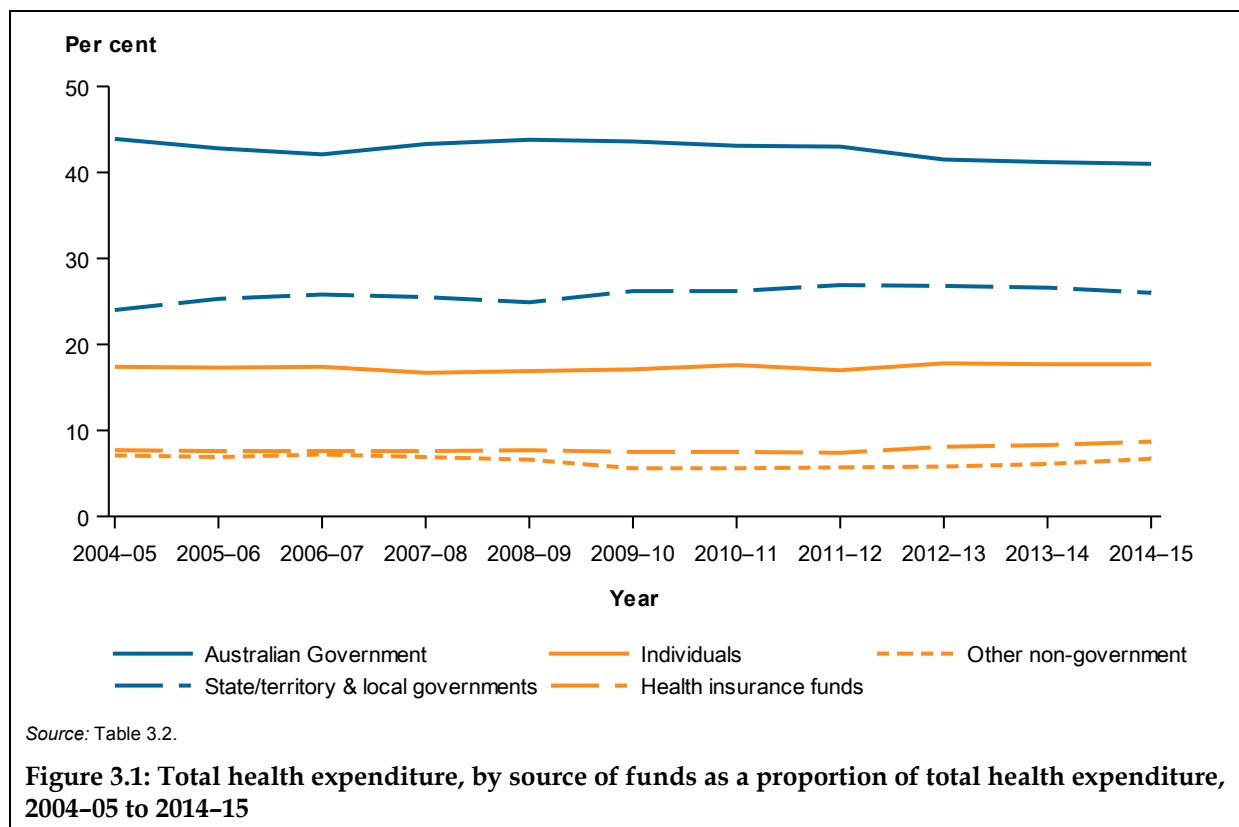
Table 3.2: Proportion of total health expenditure, by source of funds, 2004–05 to 2014–15 (%)

Year	Government			Non-government			Total
	Australian Government	State/territory and local	Total	Health insurance funds	Individuals	Other ^(a)	
2004–05	43.9	24.0	67.8	7.7	17.4	7.1	32.2
2005–06	42.8	25.3	68.1	7.6	17.3	6.9	31.9
2006–07	42.1	25.8	67.9	7.6	17.4	7.2	32.1
2007–08	43.3	25.5	68.8	7.6	16.7	6.9	31.2
2008–09	43.8	24.9	68.8	7.7	16.9	6.6	31.2
2009–10	43.6	26.2	69.8	7.5	17.1	5.6	30.2
2010–11	43.1	26.2	69.3	7.5	17.6	5.6	30.7
2011–12	43.0	26.9	70.0	7.4	17.0	5.7	30.0
2012–13	41.5	26.8	68.3	8.1	17.8	5.8	31.7
2013–14	41.2	26.6	67.8	8.3	17.7	6.1	32.2
2014–15	41.0	26.0	66.9	8.7	17.7	6.7	33.1

(a) Largely funding by injury compensation insurers.

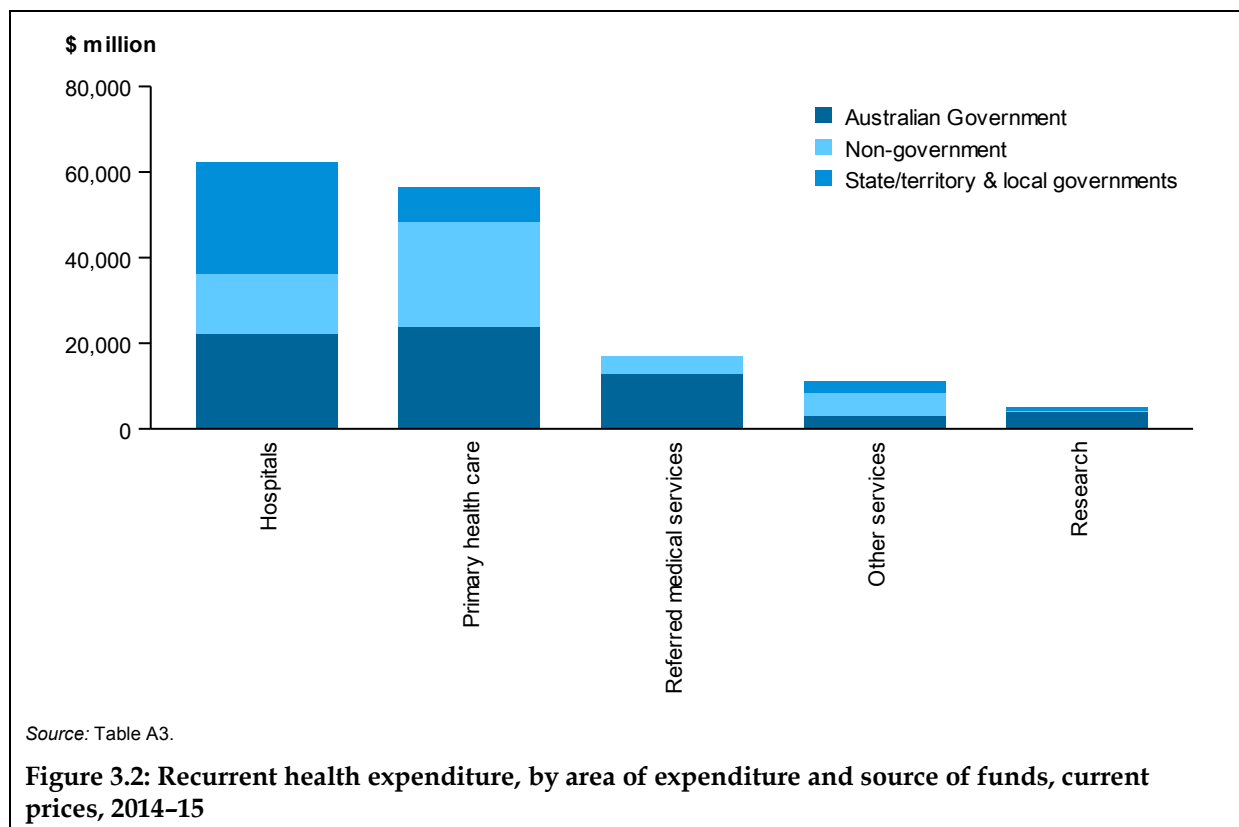
Note: Components may not add to totals due to rounding.

Source: AIHW health expenditure database.



The distribution of expenditure by the Australian Government, state and territory governments and the non-government sector varies depending on the types of health goods and services being provided. The Australian Government spends a relatively large amount on medical services (including both unreferral – largely general practitioner – and referral medical services) and benefit-paid medications, with the balance sourced from the non-government sector. Expenditure on community health services, on the other hand, comes mostly from the state and territory governments.

The governments share most of the expenditure on public hospital services, while non-government sources account for large portions of the expenditure on dental services, private hospitals, aids and appliances, medications for which no government benefit has been paid ('all other medications') and other health practitioner services (Figure 3.2; Table A3).



After removing the effects of inflation, real growth in the Australian Government’s expenditure averaged 4.0% per year from 2004-05 to 2014-15. In 2014-15 this expenditure grew by 2.4% – the third consecutive year with below average growth (Table 3.3).

State and territory and local government expenditure declined in real terms in 2014-15 for the first time in the decade – by 0.4%. This compares with average annual growth of 4.8% over the decade.

Combined, government expenditure grew by 1.3% in 2014-15 – less than one-third of the average annual growth rate for the decade (4.3%).

Growth in non-government expenditure in 2014-15 was higher than for government expenditure, at 5.9% – above the decade average of 5.4% (Table 3.3).

Table 3.3: Total health expenditure, constant prices^(a), and annual growth in funding, by source of funds, 2004–05 to 2014–15

Year	Government						Non-government		Total	
	Australian Government		State/territory and local		Total		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
2004–05	44,769	..	26,352	..	71,120	..	31,496	..	102,616	..
2005–06	44,911	0.3	28,109	6.7	73,020	2.7	32,251	2.4	105,271	2.6
2006–07	46,861	4.3	30,336	7.9	77,197	5.7	34,361	6.5	111,558	6.0
2007–08	51,691	10.3	31,534	4.0	83,225	7.8	35,703	3.9	118,928	6.6
2008–09	56,155	8.6	32,887	4.3	89,042	7.0	38,680	8.3	127,723	7.4
2009–10	57,888	3.1	35,662	8.4	93,550	5.1	39,104	1.1	132,653	3.9
2010–11	61,156	5.6	38,005	6.6	99,160	6.0	42,896	9.7	142,057	7.1
2011–12	64,727	5.8	41,149	8.3	105,876	6.8	44,777	4.4	150,653	6.1
2012–13	63,087	–2.5	41,260	0.3	104,347	–1.4	48,005	7.2	152,352	1.1
2013–14	64,672	2.5	42,117	2.1	106,788	2.3	50,446	5.1	157,234	3.2
2014–15	66,217	2.4	41,967	–0.4	108,185	1.3	53,447	5.9	161,632	2.8
	Average annual growth rate (%)									
2004–05 to 2009–10	..	5.3	..	6.2	..	5.6	..	4.4	..	5.3
2009–10 to 2014–15	..	2.7	..	3.3	..	2.9	..	6.4	..	4.0
2004–05 to 2014–15	..	4.0	..	4.8	..	4.3	..	5.4	..	4.6

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

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

Source: AIHW health expenditure database.

Public hospitals

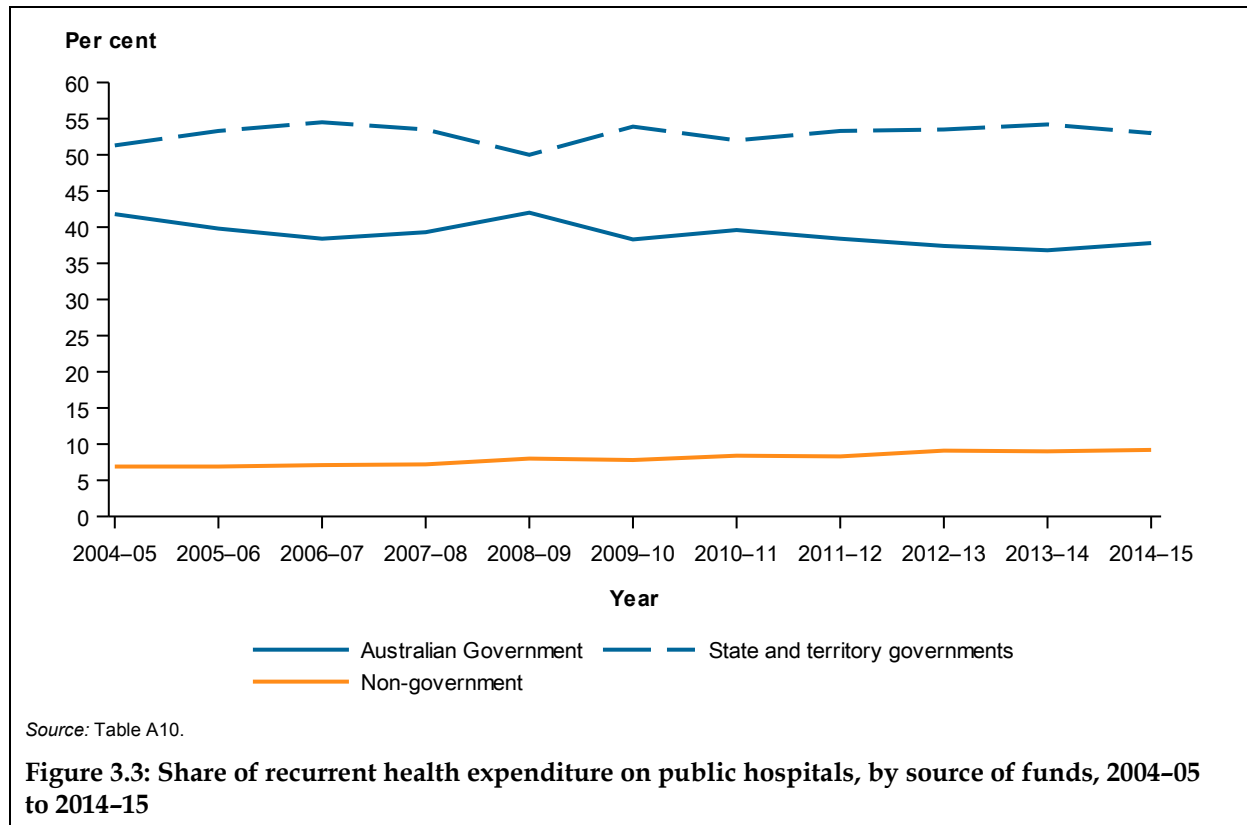
Expenditure on public hospital services was \$48.1 billion in 2014–15 (Table A10). This was up from \$46.8 billion the previous year – a real growth of 2.7% compared with average annual real growth over the decade of 4.4%.

In 2014–15, Australian Government expenditure on public hospital services (\$18.2 billion) was up by 5.4% from 2013–14 – above the average annual growth of 3.4%.

State and territory government expenditure was \$25.5 billion – a 0.4% rise from 2013–14, which was below the average annual growth of 4.7%.

Non-government expenditure on public hospitals was \$4.4 billion – up by 5.7% on 2013–14 compared with an average annual growth of 7.5%.

Between 2013–14 and 2014–15, the share of recurrent expenditure on public hospital services contributed by the Australian Government rose by 1.0 percentage point (from 36.8% to 37.8%). The state and territory governments' share fell from 54.2% to 53.0%, while the non-government share rose from 9.0% to 9.2% (Figure 3.3; Table A10).



3.2 Capital expenditure

The ABS Government Finance Statistics data, on which government capital expenditure estimates are based, identify the entity that took final ownership of the goods after the purchase was made, but do not provide detail on the funding sources. This means that where the Australian Government might have provided funding to a state or territory to support a capital purchase, it is often not possible to separate the Australian Government contribution from the state or territory contribution.

Gross fixed capital formation and private hospitals figures from the ABS are used to estimate non-government capital expenditure, which relates to expenditure by private entities on health-related capital stock.

Trends in capital expenditure are far more volatile than for recurrent expenditure, with greater fluctuation from year to year. But the long-term trend suggests that capital expenditure grew by 6.4% on average each year between 2004–05 and 2014–15. Government expenditure grew faster than non-government expenditure, with an average annual growth rate of 6.9% compared with 6.1%.

Table 3.4: Capital expenditure, by owner of asset, constant prices^(a), and annual growth rates, 2004–05 to 2014–15

Year	Government		Non-government		Total capital expenditure	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2004–05	2,163	..	2,964	..	5,126	..
2005–06	2,363	9.2	3,060	3.2	5,422	5.8
2006–07	2,564	8.5	3,565	16.5	6,128	13.0
2007–08	2,230	–13.0	3,694	3.6	5,923	–3.3
2008–09	2,824	26.7	3,877	5.0	6,701	13.1
2009–10	3,058	8.3	3,012	–22.3	6,070	–9.4
2010–11	4,431	44.9	3,358	11.5	7,788	28.3
2011–12	5,456	23.1	3,669	9.3	9,124	17.2
2012–13	5,257	–3.6	3,597	–2.0	8,854	–3.0
2013–14	4,877	–7.2	4,388	22.0	9,265	4.7
2014–15	4,206	–13.8	5,361	22.2	9,567	3.3
Average annual growth rate (%)						
2004–05 to 2009–10	..	7.2	..	0.3	..	3.4
2009–10 to 2014–15	..	6.6	..	12.2	..	9.5
2004–05 to 2014–15	..	6.9	..	6.1	..	6.4

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

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

Source: AIHW health expenditure database.



3.3 Australian Government expenditure

The Australian Government spent \$66.2 billion on health (recurrent and capital) in 2014–15 (Table 3.5). This represented 61.2% of total government health expenditure – up from 60.6% the previous year (Table 3.3). It included:

- direct Australian Government expenditure – mostly administered through the Australian Government Department of Health on programs for which the Government has responsibility, such as the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme (\$39.2 billion, or 59.2% of Australian Government funding) (Table 3.5)
- the specific purpose payments associated with the National Health Reform Agreement, including the Activity Based Funding arrangements, and national partnership payments to the states and territories (\$17.7 billion, or 26.8%) (Table 3.5)
- rebates and subsidies for privately insured persons under the *Private Health Insurance Act 2007* (\$5.7 billion, or 8.6%) (Table 3.5); the majority of this was in the form of private health insurance incentives to reduce premiums (Table 3.14) (see Box 3.2 for more information)
- Australian Government Department of Veterans’ Affairs (DVA) funding for goods and services provided to eligible veterans and their dependants (\$3.4 billion, or 5.2%), which was made up of 48.9% hospitals expenditure and 44.9% primary health care (tables 3.5 and 3.6)
- medical expenses tax rebate (\$0.1 billion, or 0.2%) (see Box 3.1 for more information).

The area with the largest growth in 2014–15 was the specific purpose payments and national partnership payments to the states and territories (3.4%), followed by direct Australian Government expenditure (3.0%).

Table 3.5: Australian Government health expenditure, constant prices^(a), by type of expenditure, 2004–05 to 2014–15 (\$ million)

Year	Own program expenditure	Grants to states (SPP & NP payments)	Health insurance premium rebates ^(b)	Department of Veterans' Affairs	Medical expenses tax rebate	Total
2004–05	24,918	11,921	3,484	4,033	413	44,769
2005–06	25,107	11,905	3,633	3,817	448	44,911
2006–07	26,470	12,266	3,726	3,911	488	46,861
2007–08	29,368	13,618	4,235	3,992	477	51,691
2008–09	32,320	15,139	4,164	3,952	581	56,155
2009–10	34,335	14,300	4,788	3,839	626	57,888
2010–11	35,970	15,793	5,064	3,797	532	61,156
2011–12	38,196	16,340	5,760	3,842	590	64,727
2012–13	37,038	16,634	5,368	3,602	445	63,087
2013–14	38,088	17,145	5,639	3,568	232	64,672
2014–15	39,223	17,734	5,698	3,416	146	66,217

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) Comprises health insurance rebates claimed through the taxation system, as well as rebates paid directly to health insurance funds by the Australian Government that enable them to reduce premiums. This includes the portions of the rebates that relate to health activities. See Box 3.2 and Appendix C for more details.

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

Source: AIHW health expenditure database.

Box 3.1: Medical expenses tax rebate

The AIHW health expenditure database includes the 'medical expenses tax rebate'. Some taxpayers who spend large amounts of money on health-related goods and services for themselves and/or their dependants in a tax year can claim a tax rebate.

Before 2012–13, the tax rebate was set at 20 cents in the dollar, and applied to the amount spent over the threshold for that financial year. From July 2012, the tax rebate became income tested. In March 2014, eligibility for the tax rebate changed, restricting who can claim and what medical expenses can be claimed.

The areas of expenditure that are funded by this rebate cannot be identified separately, so it is not possible to allocate this form of funding to particular area(s) of health expenditure. The related expenditures are assumed to have been included in the estimates of health expenditure, and they are shown as being funded by individuals in the health expenditure matrixes in appendixes A and B.

Table 3.6: Department of Veterans' Affairs health expenditure, by area of expenditure, 2014–15

Area of expenditure	Amount (\$ million)	Proportion (%)
Hospitals	1,670	48.9
Public hospital services ^(a)	793	23.2
Private hospitals	877	25.7
Primary health care	1,535	44.9
Unreferred medical services	840	24.6
Dental services	96	2.8
Other health practitioners	235	6.9
Community health and other ^(b)	1	—
Benefit-paid pharmaceuticals	363	10.6
Referred medical services	—	—
Other services	209	6.1
Patient transport services	168	4.9
Aids and appliances	1	—
Administration	40	1.2
Research	2	0.1
Total	3,416	100.0

(a) Public hospital services exclude certain services provided in hospitals, and can include those provided off-site, such as hospital in the home and dialysis. See Appendix C for more details.

(b) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

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

Source: AIHW health expenditure database.

3.4 State and territory expenditure

Recurrent expenditure by state and territory governments was estimated at \$37.8 billion in 2014–15 (Table 3.7). More than two-thirds of this spending (67.4% or \$25.5 billion) was for public hospital services. This represented a 0.4% growth in public hospital spending by states and territories in real terms, compared with an average annual growth of 4.7% for the decade.

The next largest area of recurrent spending by state and territory governments was community health and other (\$6.4 billion or 17.0% of recurrent spending), which also grew less than the average annual growth rate in real terms (1.1% compared with 4.1%).

Between 2013–14 and 2014–15, overall growth in recurrent expenditure for states and territories was 1.5% – about 3 percentage points lower than the average annual growth of 4.5% (Table 3.7).

Detailed tables on state and territory expenditure can be found in Appendix B.

Table 3.7: State and territory government recurrent health expenditure, constant prices^(a), and annual growth rates, by selected areas of expenditure, 2004–05 to 2014–15

Year	Public hospitals ^(b)		Private hospitals		Patient transport		Dental services		Community health and other ^(c)		Public health		Other ^(d)		Total recurrent expenditure	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2004–05	16,038	..	314	..	1,280	..	651	..	4,276	..	695	..	1,075	..	24,328	..
2005–06	17,357	8.2	328	4.5	1,279	-0.1	644	-1.1	4,458	4.3	802	15.4	980	-8.8	25,847	6.2
2006–07	18,853	8.6	322	-1.8	1,477	15.5	618	-4.0	4,928	10.5	849	5.9	839	-14.4	27,886	7.9
2007–08	19,769	4.9	336	4.3	1,557	5.4	647	4.7	5,328	8.1	913	7.5	860	2.5	29,410	5.5
2008–09	19,511	-1.3	428	27.4	1,818	16.8	748	15.6	5,324	-0.1	1,110	21.6	1,215	41.3	30,154	2.5
2009–10	21,959	12.5	437	2.1	1,892	4.1	707	-5.5	5,345	0.4	1,053	-5.1	1,341	10.4	32,735	8.6
2010–11	22,485	2.4	508	16.2	2,080	9.9	777	9.9	5,547	3.8	934	-11.3	1,377	2.7	33,708	3.0
2011–12	24,289	8.0	543	6.9	2,258	8.6	778	0.1	6,191	11.6	719	-23.0	1,133	-17.7	35,911	6.5
2012–13	24,459	0.7	486	-10.5	2,176	-3.6	676	-13.1	6,249	0.9	931	29.5	1,099	-3.0	36,075	0.5
2013–14	25,380	3.8	520	7.0	2,248	3.3	724	7.1	6,348	1.6	857	-7.9	1,211	10.2	37,289	3.4
2014–15	25,493	0.4	621	19.4	2,430	8.1	713	-1.5	6,419	1.1	1,030	20.2	1,135	-6.3	37,842	1.5
Average annual growth rate (%)																
2004–05 to 2009–10	..	6.5	..	6.8	..	8.1	..	1.7	..	4.6	..	8.7	..	4.5	..	6.1
2009–10 to 2014–15	..	3.0	..	7.3	..	5.1	..	0.2	..	3.7	..	-0.4	..	-3.3	..	2.9
2004–05 to 2014–15	..	4.7	..	7.1	..	6.6	..	0.9	..	4.1	..	4.0	..	0.5	..	4.5

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) Public hospital services exclude certain services provided in hospitals, and can include those provided off-site, such as hospital in the home and dialysis. See Appendix C for more details.

(c) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

(d) 'Other' in this table combines several areas of expenditure that attract relatively little expenditure by state and territory governments. It includes medical services, other professional services, pharmaceuticals, aids and appliances, administration and research.

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

Source: AIHW health expenditure database.

3.5 Non-government expenditure

Non-government health expenditure was estimated at \$53.4 billion in 2014–15. This represented real growth of 5.9% from 2013–14, which was 0.5 percentage points above the average annual growth over the decade. The non-government share of total expenditure grew from 32.2% to 33.1% (tables 3.8 and 3.9).

Expenditure by individuals was \$28.6 billion in 2014–15, up by 3.7% in real terms from 2013–14. This included:

- individuals meeting the full cost of goods and services—for example, medications that the Pharmaceutical Benefits Scheme does not subsidise
- individuals sharing the cost of health goods and services with third-party payers—for example, private health insurance funds.

Expenditure by individuals accounted for 53.5% of non-government expenditure—down from 55.0% the previous year—and represented 17.7% of total health expenditure (government and non-government), the same as in 2013–14.

Private health insurance funds provided 8.7% (\$14.0 billion) of total expenditure in 2014–15 (Table 3.8). These funds are indirectly sourced from individuals who pay premiums to private health insurance funds, or from the Australian Government through private health insurance subsidies (see Box 3.2).

The balance of non-government funding (\$10.8 billion) came from other non-government sources, mainly in the form of payments by compulsory motor vehicle third-party and workers compensation insurers (Table 3.8).

The proportion of total health expenditure by private health insurance funds rose from 7.4% in 2011–12 to 8.7% in 2014–15, coinciding with changes to the income testing arrangements surrounding the Australian Government's private health insurance premium rebates. This had the impact of reducing the Australian Government's contribution and increasing the share that private health insurers fund from their own sources (Table 3.8).

Table 3.8: Non-government health expenditure, by source of funds, current prices, 2004–05 to 2014–15

Year	Individuals		Private health insurance funds ^(a)		Other non-government ^(b)		All non-government sources	
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)
2004–05	14,064	17.4	6,220	7.7	5,792	7.1	26,076	32.2
2005–06	15,038	17.3	6,578	7.6	6,018	6.9	27,634	31.9
2006–07	16,478	17.4	7,216	7.6	6,811	7.2	30,505	32.1
2007–08	17,334	16.7	7,862	7.6	7,133	6.9	32,330	31.2
2008–09	19,334	16.9	8,845	7.7	7,570	6.6	35,748	31.2
2009–10	20,766	17.1	9,145	7.5	6,854	5.6	36,765	30.2
2010–11	23,199	17.6	9,841	7.5	7,406	5.6	40,446	30.7
2011–12	24,121	17.0	10,459	7.4	8,061	5.7	42,641	30.0
2012–13	26,172	17.8	11,849	8.1	8,560	5.8	46,580	31.7
2013–14	27,402	17.7	12,877	8.3	9,511	6.1	49,789	32.2
2014–15	28,602	17.7	14,028	8.7	10,818	6.7	53,447	33.1

(a) Funding by private health insurance funds excludes the Australian Government private health insurance rebate.

(b) Includes funding by injury compensation insurers and other private funding. All non-government sector capital expenditure is also included here, as the sources of funding of non-government capital expenditure are not known. If funding sources were known, this capital expenditure would be spread across all funding columns.

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

Source: AIHW health expenditure database.

Table 3.9: Non-government health expenditure, by source of funds, constant prices^(a), and annual growth rates, 2004–05 to 2014–15

Year	Individuals		Private health insurance funds ^(b)		Other non-government ^(c)		All non-government sources	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2004–05	16,146	..	8,193	..	7,157	..	31,496	..
2005–06	16,755	3.8	8,289	1.2	7,207	0.7	32,251	2.4
2006–07	17,746	5.9	8,751	5.6	7,864	9.1	34,361	6.5
2007–08	18,341	3.4	9,282	6.1	8,080	2.8	35,703	3.9
2008–09	20,236	10.3	10,110	8.9	8,334	3.1	38,680	8.3
2009–10	21,496	6.2	10,134	0.2	7,474	-10.3	39,104	1.1
2010–11	24,172	12.4	10,761	6.2	7,963	6.6	42,896	9.7
2011–12	25,005	3.4	11,205	4.1	8,566	7.6	44,777	4.4
2012–13	26,702	6.8	12,365	10.4	8,938	4.3	48,005	7.2
2013–14	27,594	3.3	13,139	6.3	9,713	8.7	50,446	5.1
2014–15	28,602	3.7	14,028	6.8	10,818	11.4	53,447	5.9
Average annual growth rate (%)								
2004–05 to 2009–10	..	5.9	..	4.3	..	0.9	..	4.4
2009–10 to 2014–15	..	5.9	..	6.7	..	7.7	..	6.4
2004–05 to 2014–15	..	5.9	..	5.5	..	4.2	..	5.4

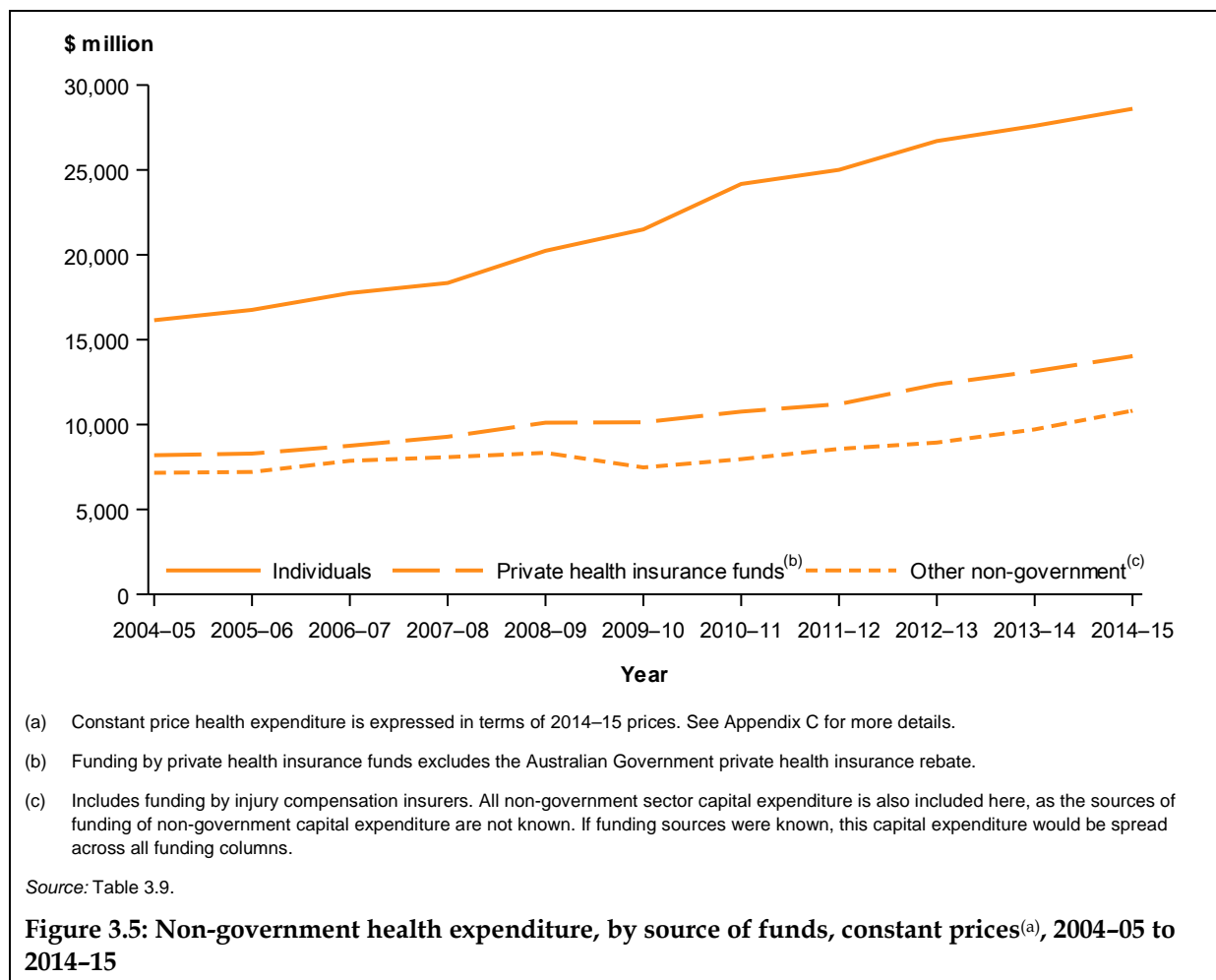
(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) Funding by private health insurance funds excludes the Australian Government private health insurance rebate.

(c) Includes funding by injury compensation insurers. All non-government sector capital expenditure is also included here, as the sources of funding of non-government capital expenditure are not known. If funding sources were known, this capital expenditure would be spread across all funding columns.

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

Source: AIHW health expenditure database.



3.6 Individuals

More than two-thirds (69.1%) of health expenditure by individuals was for primary health care in 2014–15. Over one-third (37.7%) was for medications (including both benefit-paid pharmaceuticals and all other medications) (Table 3.10). Hospitals accounted for 10.6% of expenditure by individuals.

Table 3.10: Health expenditure by individuals^(a), by area of expenditure, current prices, 2014–15

Area of expenditure	Amount (\$ million)	Proportion (%)
Hospitals	3,043	10.6
Public hospital services ^(b)	1,484	5.2
Private hospitals	1,558	5.4
Primary health care	19,853	69.1
Unreferred medical services	701	2.4
Dental services	5,521	19.2
Other health practitioners	2,509	8.7
Community health and other ^(c)	258	0.9
Public health	26	0.1
Benefit-paid pharmaceuticals	1,513	5.3
All other medications	9,323	32.4
Referred medical services	2,699	9.4
Other services	3,150	11.0
Patient transport services	412	1.4
Aids and appliances	2,733	9.5
Administration	5	—
Research	3	—
Total	28,747	100.0

(a) These figures reflect the expenditure by individuals before receiving any subsidy through the medical expenses tax rebate. This accounts for the \$145 million difference between the total in this figure and the individuals' total reported in Table 3.9.

(b) Public hospital services exclude certain services provided in hospitals, and can include services provided off site, such as hospital in the home and dialysis. See Appendix C for more details.

(c) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

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

Source: AIHW health expenditure database.

Per person expenditure by individuals (that is, averaged over the whole population) grew at an average of 4.0% per year from 2004–05 to 2014–15 (Table 3.11). In 2014–15, per person expenditure by individuals grew by 1.9%, less than half the annual average growth rate. Expenditure on benefit-paid pharmaceuticals declined by 6.6% in 2014–15. In contrast, expenditure on hospitals grew by 10.6%.

Table 3.11: Average individual recurrent health expenditure per person, constant prices^(a), and annual growth rates, by selected areas of expenditure, 2004–05 to 2014–15

Year	Hospitals ^{(b)(c)(d)}		Patient transport		Medical services		Dental services		Other health practitioners		Community and public health		Benefit-paid pharmaceuticals		All other medications		Aids and appliances		Total recurrent	
	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)	Amt (\$)	Growth (%)
2004–05	37	..	13	..	102	..	218	..	101	..	12	..	54	..	199	..	91	..	826	..
2005–06	40	9.5	13	4.8	102	0.5	217	-0.2	104	3.3	15	21.3	58	6.6	203	2.3	94	2.8	847	2.5
2006–07	38	-6.7	14	5.9	112	9.7	217	0.1	104	0.1	16	7.0	58	1.1	226	11.4	98	4.1	884	4.4
2007–08	47	23.5	15	5.6	118	5.2	210	-3.6	94	-10.4	16	2.4	59	1.2	244	7.7	94	-4.0	896	1.3
2008–09	103	..	18	21.3	123	4.0	206	-1.7	80	-14.6	7	-55.0	63	7.3	271	11.3	96	2.8	968	8.1
2009–10	111	8.0	18	1.6	130	6.1	206	-0.1	85	6.6	7	-1.4	66	3.6	283	4.5	105	8.4	1,012	4.5
2010–11	126	12.8	18	-0.4	135	3.5	215	4.3	104	21.7	8	10.9	66	1.2	330	16.4	113	7.9	1,114	10.1
2011–12	118	-6.2	17	-7.2	137	1.7	220	2.1	105	1.6	7	-18.4	69	3.9	353	6.9	112	-1.0	1,136	2.0
2012–13	124	5.4	16	-3.7	138	0.5	227	3.5	110	4.5	8	18.2	67	-2.4	380	7.8	114	1.6	1,184	4.2
2013–14	117	-6.1	18	9.0	142	2.8	233	2.3	107	-2.9	11	43.3	69	1.9	383	0.8	117	2.6	1,195	0.9
2014–15	129	10.6	17	-1.3	144	1.5	234	0.5	106	-0.4	12	9.2	64	-6.6	395	3.0	116	-0.7	1,217	1.9
Average annual growth rate (%)																				
2004–05 to 2009–10	..	..	..	7.6	..	5.1	..	-1.1	..	-3.3	..	-10.0	..	3.9	..	7.4	..	2.7	..	4.1
2009–10 to 2014–15	..	..	..	-0.8	..	2.0	..	2.6	..	4.5	..	10.9	..	-0.5	..	6.9	..	2.0	..	3.8
2004–05 to 2014–15	..	..	..	3.3	..	3.5	..	0.7	..	0.5	..	-0.1	..	1.7	..	7.1	..	2.4	..	4.0

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) Includes public and private hospitals.

(c) Growth rates not calculated for 2008–09, as the introduction of the Government Health Expenditure National Minimum Data Set led to more comprehensive reporting of expenditure by individuals on public hospitals by the state and territories. This effect is meaningful in scale when analysing trends in individual expenditure on public hospitals, but it has a relatively insubstantial impact on public hospital expenditure figures more generally. See Appendix C for more details.

(d) Public hospital services exclude certain services provided in hospitals, and can include services provided off-site, such as hospital in the home and dialysis. See Appendix C for more details.

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

Source: AIHW Health Expenditure Database.

Private health insurance

In 2014–15, hospitals received more than half (56.8% or \$8.0 billion) of the \$14.0 billion in expenditure by private health insurance funds, with private hospitals receiving \$6.9 billion (Table 3.12).

Primary health care attracted 17.9% of expenditure by private health insurance funds (\$2.5 billion), with 12.0% being related to dental services (Table 3.12).

Table 3.12: Health expenditure by private health insurance funds, by area of expenditure, current prices, 2014–15

Area of expenditure	Amount (\$ million)	Proportion (%)
Hospitals	7,974	56.8
Public hospital services ^(a)	1,060	7.6
Private hospitals	6,913	49.3
Primary health care	2,504	17.9
Dental services	1,676	12.0
Other health practitioners	781	5.6
Community health and other ^(b)	1	—
All other medications	46	0.3
Referred medical services	1,496	10.7
Other services	2,053	14.6
Patient transport services	198	1.4
Aids and appliances	625	4.5
Administration	1,230	8.8
Total	14,028	100.0

(a) Public hospital services exclude certain services provided in hospitals, and can include services provided off-site, such as hospital in the home and dialysis. See Appendix C for more details.

(b) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

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

Source: AIHW health expenditure database.

General benefits and administration

The expenditure by private health insurance funds reported elsewhere in this report does not include the premium rebates the Australian Government paid through the tax system or directly to the funds (see Box 3.2). For this report, the premium rebates are deducted from the gross benefits paid to reflect the amount spent by private health insurance funds that was not funded by the Australian Government (Table 3.13 details these amounts).

The gross health benefits paid by private health insurance funds in 2014–15 were estimated at \$19.7 billion, up 5.0% from \$18.8 billion in 2013–14 (Table 3.13).

The premium rebates that the Australian Government paid rose by 1.0% from \$5.6 billion in 2013–14 to \$5.7 billion in 2014–15 (Table 3.13).

Net funding by the health insurance funds (that is, not including the Australian Government rebates) grew by 6.8%, compared with an average annual growth rate of 5.5% per year – from 2004–05 to 2014–15 (Table 3.14).

Since the introduction of means testing of the premium rebate, the share of gross benefits contributed by the private health insurance funds has grown from 66.0% to 71.1% (Table 3.14; Figure 3.6).

Box 3.2: Treatment of private health insurance premium rebates

There are 2 types of mechanisms for rebates on health insurance premiums. The first rebate is where insurers offer members a reduced premium and then insurers claim reimbursement from the Australian Government. The second is where members pay the full premium and claim the rebate through the tax system at the end of the financial year.

Both forms of rebates have been treated in these estimates as subsidies by the Australian Government of the services that were partially funded through benefits paid by the health insurance funds.

Table 3.13: Expenditure^(a) on health goods and services by private health insurance funds, constant prices^(b), 2012–13 to 2014–15 (\$ million)

Area of expenditure	2012–13			2013–14			2014–15		
	Gross benefits paid	Premium rebates ^(c)	Net benefits paid	Gross benefits paid	Premium rebates ^(c)	Net benefits paid	Gross benefits paid	Premium rebates ^(c)	Net benefits paid
Hospitals	10,017	3,032	6,985	10,664	3,202	7,462	11,213	3,239	7,974
Public hospital services ^(d)	1,363	413	950	1,381	415	967	1,491	431	1,060
Private hospitals	8,654	2,620	6,034	9,283	2,787	6,495	9,722	2,808	6,913
Primary health care	3,117	944	2,173	3,350	1,006	2,344	3,521	1,017	2,504
Dental services	2,059	623	1,436	2,244	674	1,570	2,357	681	1,676
Other health practitioners	984	298	686	1,035	311	724	1,098	317	781
Community health and other ^(e)	1	—	1	1	—	1	1	—	1
All other medications	72	22	51	70	21	49	65	19	46
Referred medical services	1,877	568	1,309	1,982	595	1,386	2,104	608	1,496
Other services	2,723	824	1,899	2,782	836	1,947	2,887	834	2,053
Patient transport services ^(f)	294	89	205	267	80	187	279	80	198
Aids and appliances	763	231	532	850	255	594	879	254	625
Administration	1,666	504	1,161	1,666	500	1,165	1,730	500	1,230
Total recurrent expenditure	17,734	5,368	12,365	18,778	5,639	13,139	19,726	5,698	14,028

(a) This expenditure shows the payments made by health insurance funds over the year, and does not necessarily reflect the actual services provided during the year.

(b) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(c) The premium rebate is pro-rated across all expense categories (including change in provisions for outstanding claims). The rebate includes rebates paid through the tax system as well as rebates paid to funds, which directly reduce premiums.

(d) Public hospital services exclude certain services provided in hospitals, and can include services provided off-site, such as hospital in the home and dialysis. See Appendix C for more details.

(e) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

(f) Includes an Ambulance Service Levy that is payable by all private insurance funds with members in New South Wales and the Australian Capital Territory to offset the cost of this service.

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

Sources: AIHW health expenditure database; ATO 2013, 2014, 2015; DoHA 2013; DoH 2014, 2015; PHIAC 2013, 2014; APRA 2016.

Table 3.14: Expenditure on health goods and services and administration by private health insurance funds, constant prices^(a), and annual growth rates, 2004–05 to 2014–15

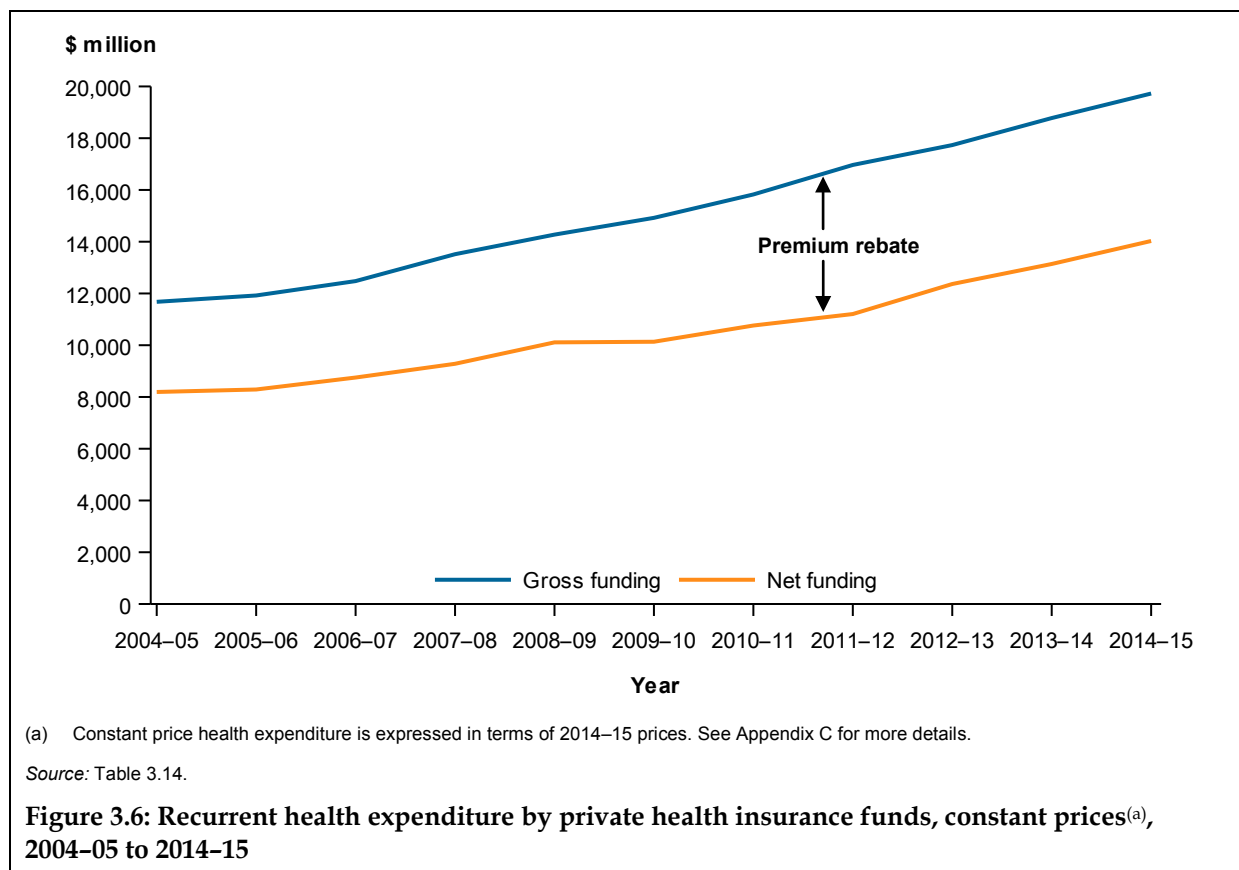
Year	Gross amounts paid through health insurance funds		Premium rebates				Net amounts funded from health insurance funds' own resources ^(b)	
			Through reduced premiums		Through taxation system			
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2004–05	11,677	..	3,293	..	191	..	8,193	..
2005–06	11,922	2.1	3,446	4.7	186	–2.5	8,289	1.2
2006–07	12,478	4.7	3,536	2.6	191	2.2	8,751	5.6
2007–08	13,517	8.3	4,035	14.1	200	4.9	9,282	6.1
2008–09	14,274	5.6	3,961	–1.8	203	1.4	10,110	8.9
2009–10	14,922	4.5	4,587	15.8	201	–1.1	10,134	0.2
2010–11	15,826	6.1	4,860	5.9	205	2.0	10,761	6.2
2011–12	16,966	7.2	5,552	14.3	208	1.7	11,205	4.1
2012–13	17,734	4.5	5,146	–7.3	223	7.1	12,365	10.4
2013–14	18,778	5.9	5,444	5.8	195	–12.4	13,139	6.3
2014–15	19,726	5.0	5,495	0.9	204	4.3	14,028	6.8
Average annual growth rate (%)								
2004–05 to 2009–10	..	5.0	..	6.9	..	1.0	..	4.3
2009–10 to 2014–15	..	5.7	..	3.7	..	0.3	..	6.7
2004–05 to 2014–15	..	5.4	..	5.3	..	0.7	..	5.5

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

(b) The gross payments through health insurance funds minus the sum of the reimbursement through reduced premiums and the rebates claimed through the taxation system.

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

Source: AIHW health expenditure database.



In 2014–15, it was estimated that net health expenditure by private health insurance providers averaged \$1,251 per person covered – a growth of 4.7% on 2013–14 compared with an average annual growth of 2.9% over the decade (Table 3.15).

Tasmania (\$1,378) and South Australia (\$1,357) had the highest expenditure by private health insurance funds per person covered. Private health insurance expenditure per person covered in Tasmania grew 24.3% between 2011–12 and 2014–15 (compared with a national growth of 16.7%). Over this time Tasmania has risen from the third highest to the highest expenditure per person.

Average annual growth in net expenditure per person was greatest in the Northern Territory (3.9%), followed by Victoria and Tasmania (both 3.5%) over the decade. The lowest growth was in the Australian Capital Territory (1.3%) (Table 3.15).

Table 3.15: Average health expenditure by private health insurance, per person covered^(a), constant prices^(b), by state and territory, 2004–05 to 2014–15 (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2004–05	911	896	1,039	968	1,069	976	661	486	942
2005–06	895	924	1,036	945	1,068	1,000	653	495	941
2006–07	935	952	1,052	953	1,094	1,010	686	505	969
2007–08	958	971	1,056	965	1,107	1,025	699	547	985
2008–09	1,024	1,038	1,108	1,014	1,161	1,109	728	568	1,045
2009–10	1,002	1,023	1,082	1,008	1,123	1,075	719	539	1,024
2010–11	1,040	1,063	1,100	1,040	1,158	1,105	727	589	1,057
2011–12	1,054	1,088	1,134	1,029	1,146	1,109	745	581	1,072
2012–13	1,136	1,176	1,206	1,083	1,230	1,223	804	647	1,150
2013–14	1,195	1,214	1,251	1,138	1,266	1,273	687	654	1,195
2014–15	1,246	1,266	1,323	1,166	1,357	1,378	749	711	1,251
Average annual growth rate (%)									
2004–05 to 2009–10	1.9	2.7	0.8	0.8	1.0	1.9	1.7	2.1	1.7
2009–10 to 2014–15	4.5	4.4	4.1	2.9	3.9	5.1	0.8	5.7	4.1
2004–05 to 2014–15	3.2	3.5	2.4	1.9	2.4	3.5	1.3	3.9	2.9

(a) Based on the number of people with health insurance cover living in each state and territory.

(b) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

Sources: AIHW health expenditure database; Table C6.

Injury compensation insurers

In 2014–15, injury compensation insurers spent \$2.8 billion on health goods and services, including \$1.6 billion by workers compensation insurers and \$1.2 billion by motor vehicle third-party insurers. This represented a decline of 2.2% on 2013–14, the second consecutive year there has been a decline. Average annual growth over the decade was 1.8% (Table 3.16).

Growth across years was quite volatile for both types of injury compensation insurers.

Expenditure on health funded by workers compensation and motor vehicle third-party insurers comprises most of the ‘other non-government’ source of funds category presented elsewhere in this report.

Table 3.16: Expenditure by injury compensation insurers, constant prices^(a), and annual growth rates, 2004–05 to 2014–15

Year	Workers compensation insurers		Motor vehicle accident third-party insurers		Total injury compensation insurer	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2004–05	1,435	..	891	..	2,326	..
2005–06	1,440	0.3	903	1.4	2,343	0.7
2006–07	1,452	0.8	945	4.6	2,396	2.3
2007–08	1,543	6.3	1,021	8.1	2,564	7.0
2008–09	1,524	-1.3	970	-5.0	2,494	-2.8
2009–10	1,528	0.3	969	-0.1	2,498	0.2
2010–11	1,609	5.3	1,024	5.6	2,633	5.4
2011–12	1,663	3.4	1,119	9.3	2,782	5.7
2012–13	1,794	7.8	1,123	0.4	2,917	4.8
2013–14	1,687	-6.0	1,160	3.2	2,846	-2.4
2014–15	1,623	-3.8	1,160	0.1	2,784	-2.2
Average annual growth rate (%)						
2004–05 to 2009–10	..	1.3	..	1.7	..	1.4
2009–10 to 2014–15	..	1.2	..	3.7	..	2.2
2004–05 to 2014–15	..	1.2	..	2.7	..	1.8

(a) Constant price health expenditure is expressed in terms of 2014–15 prices. See Appendix C for more details.

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

Source: AIHW health expenditure database.

Appendix A: National health expenditure matrixes

Notes to tables

Data in all tables are sourced from the AIHW health expenditure database.

Constant price estimates have been indexed to the most recent year (see Appendix C for more details).

The private health insurance rebate amounts include the rebate on health insurance premiums that can be claimed directly from the Australian Government through the taxation system, or through a reduced premium charged by the private health insurance fund. The rebate was reduced from 10.0–40.0% to 9.68–38.72% on 1 April 2014, and to 9.27–37.09% on 1 April 2015.

The non-government source of funds labelled 'other' includes expenditure on health goods and services by workers compensation and compulsory third-party motor vehicle insurers, as well as other sources of income (for example, rent, interest earned) for service providers.

The term 'other' in 'community health and other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

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

State and local governments include territory governments.

More information about the expenditure categories and data sources can be found at Appendix C.

Tables in Appendix A are available in Excel format and can be downloaded free from www.aihw.gov.au/expenditure-publications/.

Table A1: Total health expenditure, current prices, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,664	15,331	2,882	19,876	23,696	43,573	6,637	2,703	2,600	11,940	55,513
Public hospital services	785	15,065	393	16,242	23,239	39,481	904	1,305	1,754	3,963	43,444
Private hospitals	879	266	2,489	3,635	457	4,092	5,733	1,398	846	7,977	12,069
Primary health care	1,608	20,255	915	22,779	7,463	30,242	2,108	18,517	2,080	22,706	52,948
Unreferred medical services	838	7,419	..	8,257	..	8,257	..	661	1,248	1,909	10,166
Dental services	100	843	606	1,550	657	2,207	1,396	5,066	37	6,500	8,706
Other health practitioners	241	1,160	287	1,688	13	1,701	661	2,426	422	3,508	5,209
Community health and other	1	1,181	—	1,182	5,909	7,092	1	153	198	352	7,444
Public health	..	1,150	..	1,150	884	2,034	..	13	96	109	2,143
Benefit-paid pharmaceuticals	429	7,994	..	8,423	..	8,423	..	1,547	..	1,547	9,970
All other medications	..	507	22	529	..	529	50	8,651	80	8,781	9,309
Referred medical services	..	10,892	556	11,448	..	11,448	1,280	2,428	..	3,709	15,157
Other services	200	1,597	791	2,588	2,302	4,890	1,823	2,941	160	4,924	9,814
Patient transport services	157	56	85	298	2,067	2,364	195	353	100	648	3,012
Aids and appliances	2	440	229	671	..	671	529	2,585	59	3,172	3,844
Administration	41	1,101	477	1,619	235	1,855	1,099	3	1	1,103	2,958
Research	1	3,836	..	3,837	790	4,627	..	4	284	288	4,915
Total recurrent expenditure	3,474	51,911	5,144	60,529	34,252	94,781	11,849	26,594	5,124	43,566	138,347
Capital expenditure	..	72	..	72	5,099	5,171	..	..	3,436	3,436	8,607
Medical expenses tax rebate	..	422	..	422	..	422	..	-422	..	-422	—
Total health expenditure	3,474	52,404	5,144	61,022	39,351	100,373	11,849	26,172	8,560	46,580	146,953

Source: AIHW health expenditure database.

Table A2: Total health expenditure, current prices, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,673	15,983	3,128	20,784	25,298	46,082	7,289	2,650	2,742	12,681	58,763
Public hospital services	759	15,677	405	16,841	24,790	41,632	944	1,308	1,842	4,094	45,725
Private hospitals	914	306	2,723	3,943	507	4,450	6,344	1,343	900	8,587	13,037
Primary health care	1,628	20,708	997	23,334	7,736	31,069	2,323	19,358	2,023	23,704	54,773
Unreferred medical services	857	7,837	..	8,694	..	8,694	..	686	1,217	1,903	10,597
Dental services	109	503	664	1,275	713	1,989	1,547	5,336	43	6,925	8,914
Other health practitioners	256	1,253	312	1,822	10	1,831	726	2,490	372	3,589	5,420
Community health and other	1	1,252	—	1,253	6,176	7,429	1	224	185	409	7,838
Public health	..	1,251	..	1,251	837	2,088	..	26	128	154	2,242
Benefit-paid pharmaceuticals	406	8,047	..	8,452	..	8,452	..	1,598	..	1,598	10,050
All other medications	..	566	21	587	..	587	49	8,999	78	9,126	9,713
Referred medical services	..	11,593	589	12,182	..	12,182	1,374	2,584	..	3,958	16,140
Other services	210	1,863	812	2,884	2,544	5,428	1,892	3,030	185	5,107	10,535
Patient transport services	169	57	78	304	2,196	2,500	183	402	104	689	3,188
Aids and appliances	2	458	247	707	..	707	575	2,625	80	3,280	3,987
Administration	38	1,349	487	1,873	348	2,221	1,134	4	1	1,138	3,360
Research	2	4,240	..	4,242	821	5,063	..	5	278	283	5,346
Total recurrent expenditure	3,513	54,386	5,526	63,426	36,398	99,824	12,877	27,628	5,229	45,733	145,557
Capital expenditure	..	49	..	49	4,783	4,832	..	..	4,282	4,282	9,114
Medical expenses tax rebate	..	226	..	226	..	226	..	-226	..	-226	—
Total health expenditure	3,513	54,661	5,526	63,701	41,181	104,882	12,877	27,402	9,511	49,789	154,671

Source: AIHW health expenditure database.

Table A3: Total health expenditure, current prices, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,670	17,271	3,239	22,180	26,114	48,294	7,974	3,043	3,002	14,019	62,313
Public hospital services	793	16,946	431	18,170	25,493	43,663	1,060	1,484	1,886	4,430	48,094
Private hospitals	877	325	2,808	4,010	621	4,631	6,913	1,558	1,117	9,588	14,220
Primary health care	1,535	21,411	1,017	23,962	8,170	32,133	2,504	19,853	1,973	24,330	56,462
Unreferred medical services	840	8,376	..	9,216	..	9,216	..	701	1,113	1,814	11,031
Dental services	96	788	681	1,565	713	2,279	1,676	5,521	88	7,285	9,564
Other health practitioners	235	1,355	317	1,907	8	1,915	781	2,509	347	3,638	5,552
Community health and other	1	1,242	—	1,243	6,419	7,662	1	258	211	469	8,131
Public health	..	1,185	..	1,185	1,030	2,215	..	26	124	150	2,365
Benefit-paid pharmaceuticals	363	7,899	..	8,262	..	8,262	..	1,513	..	1,513	9,775
All other medications	..	566	19	585	..	585	46	9,323	90	9,459	10,044
Referred medical services	..	12,137	608	12,745	..	12,745	1,496	2,699	..	4,196	16,940
Other services	209	2,055	834	3,098	2,784	5,882	2,053	3,150	196	5,399	11,281
Patient transport services	168	59	80	307	2,430	2,737	198	412	98	708	3,446
Aids and appliances	1	483	254	739	..	739	625	2,733	96	3,455	4,193
Administration	40	1,513	500	2,052	354	2,406	1,230	5	1	1,236	3,642
Research	2	4,003	..	4,006	773	4,779	..	3	286	289	5,068
Total recurrent expenditure	3,416	56,877	5,698	65,991	37,842	103,833	14,028	28,747	5,457	48,232	152,065
Capital expenditure	..	81	..	81	4,125	4,206	..	..	5,361	5,361	9,567
Medical expenses tax rebate	..	146	..	146	..	146	..	-146	..	-146	—
Total health expenditure	3,416	57,103	5,698	66,217	41,967	108,185	14,028	28,602	10,818	53,447	161,632

Source: AIHW health expenditure database.

Table A4: Total health expenditure, constant prices, by area of expenditure and source of funds, 2012-13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,751	16,132	3,032	20,916	24,945	45,860	6,985	2,844	2,734	12,563	58,423
Public hospital services	825	15,852	413	17,090	24,459	41,549	950	1,375	1,844	4,170	45,718
Private hospitals	926	280	2,620	3,826	486	4,312	6,034	1,469	889	8,393	12,705
Primary health care	1,639	20,609	944	23,192	7,870	31,062	2,173	18,835	2,142	23,151	54,212
Unreferred medical services	858	7,591	..	8,449	..	8,449	..	675	1,277	1,952	10,401
Dental services	103	867	623	1,594	676	2,269	1,436	5,209	38	6,684	8,953
Other health practitioners	250	1,204	298	1,752	13	1,766	686	2,518	438	3,642	5,408
Community health and other	1	1,249	—	1,250	6,249	7,500	1	162	209	372	7,871
Public health	..	1,210	..	1,210	931	2,141	..	14	100	114	2,256
Benefit-paid pharmaceuticals	428	7,977	..	8,405	..	8,405	..	1,544	..	1,544	9,949
All other medications	..	511	22	532	..	532	51	8,712	80	8,843	9,375
Referred medical services	..	11,147	568	11,716	..	11,716	1,309	2,486	..	3,795	15,510
Other services	210	1,665	824	2,699	2,426	5,125	1,899	2,977	166	5,041	10,166
Patient transport services	165	59	89	313	2,176	2,489	205	371	105	681	3,170
Aids and appliances	2	443	231	676	..	676	532	2,602	60	3,194	3,870
Administration	42	1,163	504	1,710	250	1,960	1,161	4	1	1,166	3,126
Research	1	4,047	..	4,048	835	4,883	..	5	299	304	5,186
Total recurrent expenditure	3,602	53,600	5,368	62,570	36,075	98,645	12,365	27,147	5,341	44,853	143,498
Capital expenditure	..	72	..	72	5,185	5,257	..	..	3,597	3,597	8,854
Medical expenses tax rebate	..	445	..	445	..	445	..	-445	..	-445	—
Total health expenditure	3,602	54,117	5,368	63,087	41,260	104,347	12,365	26,702	8,938	48,005	152,352

Source: AIHW health expenditure database.

Table A5: Total health expenditure, constant prices, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,713	16,363	3,202	21,278	25,900	47,178	7,462	2,713	2,807	12,982	60,160
Public hospital services	777	16,049	415	17,241	25,380	42,621	967	1,339	1,885	4,191	46,812
Private hospitals	936	314	2,787	4,037	520	4,557	6,495	1,374	922	8,791	13,348
Primary health care	1,638	20,845	1,006	23,489	7,939	31,427	2,344	19,370	2,042	23,756	55,183
Unreferred medical services	866	7,912	..	8,778	..	8,778	..	692	1,229	1,921	10,699
Dental services	111	510	674	1,295	724	2,019	1,570	5,417	44	7,030	9,049
Other health practitioners	256	1,250	311	1,817	9	1,826	724	2,483	371	3,579	5,405
Community health and other	1	1,286	—	1,287	6,348	7,636	1	230	190	421	8,056
Public health	..	1,281	..	1,281	857	2,137	..	26	131	157	2,295
Benefit-paid pharmaceuticals	406	8,044	..	8,450	..	8,450	..	1,598	..	1,598	10,047
All other medications	..	561	21	582	..	582	49	8,924	78	9,050	9,632
Referred medical services	..	11,705	595	12,300	..	12,300	1,386	2,610	..	3,996	16,297
Other services	215	1,917	836	2,967	2,606	5,573	1,947	3,128	190	5,265	10,838
Patient transport services	173	58	80	312	2,248	2,559	187	411	107	705	3,264
Aids and appliances	3	473	255	731	..	731	594	2,713	83	3,390	4,121
Administration	39	1,386	500	1,925	358	2,283	1,165	4	1	1,170	3,453
Research	2	4,355	..	4,357	844	5,201	..	5	286	291	5,491
Total recurrent expenditure	3,568	55,184	5,639	64,390	37,289	101,679	13,139	27,826	5,325	46,290	147,969
Capital expenditure	..	49	..	49	4,828	4,877	..	..	4,388	4,388	9,265
Medical expenses tax rebate	..	232	..	232	..	232	..	-232	..	-232	—
Total health expenditure	3,568	55,465	5,639	64,672	42,117	106,788	13,139	27,594	9,713	50,446	157,234

Source: AIHW health expenditure database.

Table A6: Total health expenditure, constant prices, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	1,670	17,271	3,239	22,180	26,114	48,294	7,974	3,043	3,002	14,019	62,313
Public hospital services	793	16,946	431	18,170	25,493	43,663	1,060	1,484	1,886	4,430	48,094
Private hospitals	877	325	2,808	4,010	621	4,631	6,913	1,558	1,117	9,588	14,220
Primary health care	1,535	21,411	1,017	23,962	8,170	32,133	2,504	19,853	1,973	24,330	56,462
Unreferred medical services	840	8,376	..	9,216	..	9,216	..	701	1,113	1,814	11,031
Dental services	96	788	681	1,565	713	2,279	1,676	5,521	88	7,285	9,564
Other health practitioners	235	1,355	317	1,907	8	1,915	781	2,509	347	3,638	5,552
Community health and other	1	1,242	—	1,243	6,419	7,662	1	258	211	469	8,131
Public health	..	1,185	..	1,185	1,030	2,215	..	26	124	150	2,365
Benefit-paid pharmaceuticals	363	7,899	..	8,262	..	8,262	..	1,513	..	1,513	9,775
All other medications	..	566	19	585	..	585	46	9,323	90	9,459	10,044
Referred medical services	..	12,137	608	12,745	..	12,745	1,496	2,699	..	4,196	16,940
Other services	209	2,055	834	3,098	2,784	5,882	2,053	3,150	196	5,399	11,281
Patient transport services	168	59	80	307	2,430	2,737	198	412	98	708	3,446
Aids and appliances	1	483	254	739	..	739	625	2,733	96	3,455	4,193
Administration	40	1,513	500	2,052	354	2,406	1,230	5	1	1,236	3,642
Research	2	4,003	..	4,006	773	4,779	..	3	286	289	5,068
Total recurrent expenditure	3,416	56,877	5,698	65,991	37,842	103,833	14,028	28,747	5,457	48,232	152,065
Capital expenditure	..	81	..	81	4,125	4,206	..	..	5,361	5,361	9,567
Medical expenses tax rebate	..	146	..	146	..	146	..	-146	..	-146	—
Total health expenditure	3,416	57,103	5,698	66,217	41,967	108,185	14,028	28,602	10,818	53,447	161,632

Source: AIHW health expenditure database.

Table A7: Annual growth in health expenditure, current prices, by area of expenditure, 2004–05 to 2014–15 (%)

Area of expenditure	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	Average annual growth	
	to 2005–06	to 2006–07	to 2007–08	to 2008–09	to 2009–10	to 2010–11	to 2011–12	to 2012–13	to 2013–14	to 2014–15	2004–05 to 2014–15	2009–10 to 2014–15
Hospitals	8.5	9.7	9.6	10.7	8.5	7.5	7.6	3.7	5.9	6.0	7.7	6.1
Public hospitals/Public hospital services	9.3	10.4	10.0	8.6	8.3	7.6	7.8	3.3	5.3	5.2	7.5	5.8
Private hospitals	5.6	7.0	8.2	..	9.3	7.1	6.6	5.2	8.0	9.1	..	7.2
Primary health care	4.4	8.9	9.9	7.3	6.7	8.2	6.8	4.6	3.4	3.1	6.3	5.2
Unreferred medical services	2.0	6.4	11.3	4.7	8.2	8.2	4.0	6.0	4.2	4.1	5.9	5.3
Dental services	5.6	7.0	6.2	10.7	7.5	8.1	6.1	4.4	2.4	7.3	6.5	5.6
Other health practitioners	8.5	7.7	3.1	1.6	9.2	16.4	9.1	9.6	4.0	2.4	7.1	8.2
Community health and other	9.2	12.7	14.5	5.1	7.2	7.6	12.6	5.0	5.3	3.7	8.2	6.8
Public health	1.6	16.4	25.0	–1.1	–10.4	–2.9	15.3	–4.6	4.6	5.5	4.4	3.4
Medications	3.1	9.3	8.7	10.8	7.5	7.9	5.1	3.7	2.5	0.3	5.8	3.9
Benefit-paid pharmaceuticals	3.0	3.1	7.9	9.9	7.5	2.0	3.3	–1.8	0.8	–2.7	3.2	0.3
All other medications	3.2	19.9	9.9	12.1	7.4	16.3	7.4	10.3	4.3	3.4	9.3	8.3
Referred medical services	8.6	8.9	8.2	10.4	6.5	4.5	7.6	6.4	6.5	5.0	7.2	6.0
Other services	3.9	6.8	7.6	12.1	3.3	5.3	7.1	–2.8	7.3	7.1	5.7	4.7
Patient transport services	4.3	16.7	12.0	19.3	8.3	7.6	7.4	0.7	5.8	8.1	8.9	5.9
Aids and appliances	7.0	8.0	2.9	4.9	7.1	3.7	1.5	4.3	3.7	5.2	4.8	3.7
Administration	0.2	–0.8	10.3	15.2	–4.9	5.1	13.4	–13.4	13.6	8.4	4.3	4.9
Research	18.1	13.8	16.3	34.6	15.0	2.4	8.2	4.9	8.8	–5.2	11.2	3.7
Total recurrent expenditure	6.7	9.2	9.6	10.1	7.4	7.1	7.3	3.9	5.2	4.5	7.1	5.6
Capital expenditure	11.0	15.5	1.0	16.6	–10.5	29.4	17.7	–2.3	5.9	5.0	8.4	10.6
Total health expenditure	6.9	9.5	9.1	10.5	6.4	8.1	7.9	3.5	5.3	4.5	7.1	5.8

Source: AIHW health expenditure database.

Table A8: Annual growth in health expenditure, constant prices, by area of expenditure, 2004-05 to 2014-15 (%)

Area of expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Average annual growth	
	to 2005-06	to 2006-07	to 2007-08	to 2008-09	to 2009-10	to 2010-11	to 2011-12	to 2012-13	to 2013-14	to 2014-15	2004-05 to 2014-15	2009-10 to 2014-15
Hospitals	3.5	5.6	6.4	7.6	4.6	6.1	5.0	0.8	3.0	3.6	4.6	3.7
Public hospitals/Public hospital services	4.2	6.3	6.7	5.7	4.4	6.2	5.3	0.4	2.4	2.7	4.4	3.4
Private hospitals	1.2	2.9	5.0	..	5.2	5.7	4.0	2.2	5.1	6.5	..	4.7
Primary health care	1.0	5.9	8.2	4.3	4.6	7.6	5.6	2.6	1.8	2.3	4.4	4.0
Unreferred medical services	-3.5	3.2	10.3	0.9	6.1	7.4	2.1	3.1	2.9	3.1	3.5	3.7
Dental services	1.4	1.4	2.1	7.9	4.7	7.1	5.8	2.5	1.1	5.7	3.9	4.4
Other health practitioners	3.5	5.6	3.2	-2.5	6.4	12.7	3.5	6.1	-0.1	2.7	4.0	4.9
Community health and other	3.4	8.2	10.4	-1.7	3.4	5.6	9.8	2.3	2.3	0.9	4.4	4.2
Public health	-2.8	11.9	21.3	-4.2	-13.6	-4.2	12.6	-7.3	1.7	3.1	1.4	0.9
Medications	2.7	8.1	8.4	11.4	7.0	9.1	5.5	2.9	1.8	0.7	5.7	4.0
Benefit-paid pharmaceuticals	3.0	3.1	7.8	9.7	7.5	2.0	3.3	-1.7	1.0	-2.7	3.2	0.3
All other medications	2.0	16.5	9.2	13.8	6.3	19.3	8.3	8.3	2.7	4.3	8.9	8.4
Referred medical services	2.8	5.6	7.2	6.3	4.4	3.0	5.8	4.0	5.1	3.9	4.8	4.4
Other services	-0.6	2.9	4.8	10.7	1.9	6.5	6.0	-5.0	6.6	4.1	3.7	3.5
Patient transport services	-0.5	12.4	8.7	15.8	4.4	6.2	4.8	-2.1	3.0	5.6	5.7	3.4
Aids and appliances	4.2	5.8	0.1	6.9	12.5	11.3	3.0	3.4	6.5	1.8	5.5	5.1
Administration	-4.1	-5.1	6.2	10.2	-8.6	1.9	10.2	-16.1	10.5	5.5	0.7	1.9
Research	12.9	9.1	12.0	29.1	10.8	-0.9	5.3	1.6	5.9	-7.7	7.4	0.7
Total recurrent expenditure	2.4	5.6	7.2	7.1	4.6	6.1	5.4	1.4	3.1	2.8	4.5	3.7
Capital expenditure	5.8	13.0	-3.3	13.1	-9.4	28.3	17.2	-3.0	4.7	3.3	6.4	9.5
Total health expenditure	2.6	6.0	6.6	7.4	3.9	7.1	6.1	1.1	3.2	2.8	4.6	4.0

Source: AIHW health expenditure database.

Table A9: Proportions of recurrent health expenditure, current prices, by area of expenditure, 2004–05 to 2014–15 (%)

Area of expenditure	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15
Hospitals	38.5	39.1	39.3	39.3	39.5	39.9	40.1	40.2	40.1	40.4	41.0
Public hospitals/Public hospital services	30.3	31.0	31.3	31.4	31.0	31.3	31.4	31.6	31.4	31.4	31.6
Private hospitals	8.2	8.2	8.0	7.9	8.5	8.7	8.7	8.6	8.7	9.0	9.4
Primary health care	39.8	39.0	38.9	39.0	38.0	37.8	38.2	38.0	38.3	37.6	37.1
Unreferred medical services	8.1	7.7	7.6	7.7	7.3	7.3	7.4	7.2	7.3	7.3	7.3
Dental services	6.6	6.6	6.4	6.2	6.3	6.3	6.3	6.3	6.3	6.1	6.3
Other health practitioners	3.6	3.7	3.7	3.4	3.2	3.2	3.5	3.6	3.8	3.7	3.7
Community health and other	4.8	4.9	5.1	5.3	5.1	5.0	5.1	5.3	5.4	5.4	5.3
Public health	2.0	1.9	2.0	2.3	2.1	1.7	1.6	1.7	1.5	1.5	1.6
Benefit-paid pharmaceuticals	9.3	8.9	8.4	8.3	8.3	8.3	7.9	7.6	7.2	6.9	6.4
All other medications	5.4	5.2	5.7	5.7	5.8	5.8	6.3	6.3	6.7	6.7	6.6
Referred medical services	11.0	11.2	11.1	11.0	11.0	10.9	10.7	10.7	11.0	11.1	11.1
Other services	8.4	8.2	8.0	7.9	8.0	7.7	7.6	7.6	7.1	7.2	7.4
Patient transport services	1.9	1.9	2.0	2.0	2.2	2.2	2.2	2.2	2.2	2.2	2.3
Aids and appliances	3.4	3.4	3.4	3.2	3.0	3.0	2.9	2.8	2.8	2.7	2.8
Administration	3.1	2.9	2.6	2.7	2.8	2.5	2.4	2.6	2.1	2.3	2.4
Research	2.3	2.5	2.6	2.8	3.4	3.6	3.5	3.5	3.6	3.7	3.3
Total recurrent expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: AIHW health expenditure database.

Table A10: Recurrent funding of public hospitals, constant prices, by source of funds and annual growth rates, 2004–05 to 2014–15 (%)

Year	Government						Non-government			Total		
	Australian Government			State/territory and local			Amount (\$m)	Growth (%)	Share (%)	Amount (\$m)	Growth (%)	Share (%)
	Amount (\$m)	Growth (%)	Share (%)	Amount (\$m)	Growth (%)	Share (%)						
2004–05	13,063	..	41.8	16,038	..	51.3	2,144	..	6.9	31,244	..	100.0
2005–06	12,947	–0.9	39.8	17,357	8.2	53.3	2,250	5.0	6.9	32,554	4.2	100.0
2006–07	13,304	2.8	38.4	18,853	8.6	54.5	2,454	9.0	7.1	34,611	6.3	100.0
2007–08	14,507	9.0	39.3	19,769	4.9	53.5	2,655	8.2	7.2	36,931	6.7	100.0
2008–09	16,407	13.1	42.0	19,511	–1.3	50.0	3,108	17.1	8.0	39,026	5.7	100.0
2009–10	15,597	–4.9	38.3	21,959	12.5	53.9	3,177	2.2	7.8	40,733	4.4	100.0
2010–11	17,129	9.8	39.6	22,485	2.4	52.0	3,626	14.2	8.4	43,240	6.2	100.0
2011–12	17,467	2.0	38.4	24,289	8.0	53.3	3,784	4.3	8.3	45,540	5.3	100.0
2012–13	17,090	–2.2	37.4	24,459	0.7	53.5	4,170	10.2	9.1	45,718	0.4	100.0
2013–14	17,241	0.9	36.8	25,380	3.8	54.2	4,191	0.5	9.0	46,812	2.4	100.0
2014–15	18,170	5.4	37.8	25,493	0.4	53.0	4,430	5.7	9.2	48,094	2.7	100.0
Average annual growth rate (%)												
2004–05 to 2009–10	..	3.6	..	..	6.5	..	..	8.2	..	..	5.4	..
2009–10 to 2014–15	..	3.1	..	..	3.0	..	..	6.9	..	..	3.4	..
2004–05 to 2014–15	..	3.4	..	..	4.7	..	..	7.5	..	..	4.4	..

Source: AIHW health expenditure database.

Appendix B: State and territory health expenditure matrixes

Notes to tables

Tables show funding provided by the Australian Government, state and territory and local governments, and the major non-government sources of funding for health goods and services.

Data in all tables are sourced from the AIHW health expenditure database.

Constant price estimates have been indexed to the most recent year (see Appendix C for more details).

The private health insurance rebate amounts include the rebate on health insurance premiums that can be claimed either directly from the Australian Government through the taxation system, or through a reduced premium charged by the private health insurance fund. The rebate was reduced from 10.0–40.0% to 9.68–38.72% on 1 April 2014, and to 9.27–37.09% on 1 April 2015.

The non-government source of funds labelled 'other' includes expenditure on health goods and services by workers compensation and compulsory third-party motor vehicle insurers, as well as other sources of income (for example, rent, interest earned) for service providers.

'Health and other' comprises Australian Government Department of Health-funded expenditure, such as on the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme, and other Australian Government expenditures, such as for the specific purpose payment associated with the National Healthcare Agreement and health-related national partnership payments, capital consumption, estimates of the medical expenses tax rebate, and health research not funded by the Australian Government Department of Health.

Public hospital services exclude certain services provided in hospitals, and can include services provided off-site, such as hospital in the home and dialysis. See Appendix C for more information.

The term 'other' in 'community health and other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

Research expenditure for South Australia is also reflected in public hospital expenditure, as not all research expenditure can be separately identified.

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

More information about the expenditure categories and data sources can be found in Appendix C.

Tables in Appendix B are available in Excel format and can be downloaded free from www.aihw.gov.au/expenditure-publications/.

Table B1: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	589	4,918	924	6,431	7,076	13,507	2,128	653	1,010	3,792	17,299
Public hospital services	360	4,831	186	5,377	7,076	12,453	428	280	736	1,443	13,896
Private hospitals	228	87	738	1,054	..	1,054	1,701	373	275	2,348	3,402
Primary health care	519	6,880	294	7,692	1,877	9,569	676	5,807	981	7,464	17,033
Unreferred medical services	264	2,537	..	2,801	..	2,801	..	164	611	775	3,577
Dental services	34	390	191	614	158	772	439	1,406	7	1,852	2,624
Other health practitioners	71	389	94	555	..	555	217	743	129	1,089	1,644
Community health and other	—	304	—	305	1,553	1,857	—	54	131	185	2,042
Public health	..	388	..	388	166	554	..	..	92	92	646
Benefit-paid pharmaceuticals	151	2,704	..	2,854	..	2,854	..	511	..	511	3,365
All other medications	..	167	9	176	..	176	20	2,930	11	2,960	3,136
Referred medical services	..	3,880	160	4,041	..	4,041	369	960	..	1,330	5,370
Other services	84	524	278	887	513	1,400	641	579	41	1,261	2,661
Patient transport services	83	4	52	140	513	652	120	88	38	246	898
Aids and appliances	1	144	79	225	..	225	182	491	4	677	901
Administration	—	376	147	523	—	523	339	..	..	339	862
Research	—	1,266	..	1,266	205	1,471	..	..	119	119	1,589
Total recurrent expenditure	1,192	17,469	1,656	20,317	9,670	29,987	3,815	8,000	2,151	13,965	43,953
Capital expenditure	..	19	..	19	1,573	1,592	..	..	1,468	1,468	3,061
Medical expenses tax rebate	..	160	..	160	..	160	..	-160	..	-160	—
Total health expenditure	1,192	17,648	1,656	20,497	11,243	31,740	3,815	7,839	3,619	15,274	47,014

Source: AIHW health expenditure database.

Table B2: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	595	5,025	1,022	6,642	7,778	14,420	2,381	558	1,054	3,993	18,413
Public hospital services	366	4,925	200	5,491	7,778	13,269	466	240	779	1,484	14,754
Private hospitals	229	100	822	1,151	..	1,151	1,915	318	275	2,508	3,659
Primary health care	505	6,895	318	7,718	1,934	9,652	742	6,116	945	7,803	17,454
Unreferred medical services	258	2,646	..	2,905	..	2,905	..	170	566	736	3,641
Dental services	33	209	209	451	132	583	486	1,497	5	1,989	2,572
Other health practitioners	73	417	101	591	..	591	236	758	116	1,110	1,701
Community health and other	—	322	—	323	1,631	1,954	—	113	125	239	2,192
Public health	..	396	..	396	171	567	..	..	123	123	690
Benefit-paid pharmaceuticals	141	2,716	..	2,857	..	2,857	..	528	..	528	3,384
All other medications	..	187	8	195	..	195	19	3,050	9	3,079	3,274
Referred medical services	..	4,114	172	4,285	..	4,285	400	1,019	..	1,419	5,704
Other services	93	608	282	983	572	1,555	657	587	45	1,289	2,844
Patient transport services	92	4	49	145	572	717	114	88	40	242	959
Aids and appliances	1	150	85	237	..	237	198	500	5	702	939
Administration	—	453	148	601	—	601	345	..	..	345	946
Research	—	1,454	..	1,454	213	1,666	..	1	110	111	1,777
Total recurrent expenditure	1,193	18,095	1,794	21,082	10,496	31,578	4,179	8,281	2,154	14,614	46,192
Capital expenditure	..	13	..	13	1,182	1,195	..	..	1,198	1,198	2,393
Medical expenses tax rebate	..	86	..	86	..	86	..	-86	..	-86	—
Total health expenditure	1,193	18,194	1,794	21,181	11,678	32,860	4,179	8,195	3,352	15,726	48,585

Source: AIHW health expenditure database.

Table B3: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	566	5,450	1,049	7,066	7,768	14,834	2,583	671	1,172	4,425	19,259
Public hospital services	342	5,344	211	5,898	7,768	13,666	520	272	821	1,612	15,278
Private hospitals	224	106	838	1,168	..	1,168	2,063	399	351	2,813	3,981
Primary health care	477	7,166	321	7,964	2,155	10,120	790	6,281	929	7,999	18,118
Unreferred medical services	256	2,820	..	3,076	..	3,076	..	175	542	717	3,793
Dental services	29	316	213	557	199	756	523	1,552	11	2,086	2,842
Other health practitioners	67	448	101	616	..	616	249	753	108	1,109	1,726
Community health and other	—	329	—	330	1,718	2,047	—	142	135	277	2,324
Public health	..	376	..	376	239	615	..	..	119	119	735
Benefit-paid pharmaceuticals	125	2,689	..	2,814	..	2,814	..	499	..	499	3,313
All other medications	..	188	7	195	..	195	17	3,161	13	3,191	3,386
Referred medical services	..	4,286	177	4,464	..	4,464	437	1,061	..	1,497	5,961
Other services	89	672	296	1,057	619	1,675	728	584	52	1,364	3,039
Patient transport services	88	5	50	142	619	761	122	66	42	230	990
Aids and appliances	1	159	87	247	..	247	214	518	10	742	989
Administration	—	508	159	668	—	668	392	..	..	392	1,060
Research	—	1,324	..	1,324	217	1,541	..	1	125	126	1,667
Total recurrent expenditure	1,132	18,900	1,843	21,874	10,759	32,633	4,537	8,597	2,277	15,411	48,044
Capital expenditure	..	31	..	31	1,275	1,306	..	..	1,610	1,610	2,916
Medical expenses tax rebate	..	55	..	55	..	55	..	-55	..	-55	—
Total health expenditure	1,132	18,986	1,843	21,961	12,034	33,994	4,537	8,542	3,888	16,966	50,961

Source: AIHW health expenditure database.

Table B4: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	357	3,816	731	4,905	5,203	10,107	1,685	822	566	3,072	13,180
Public hospital services	156	3,761	97	4,014	5,203	9,217	223	410	306	939	10,156
Private hospitals	201	55	635	891	..	891	1,462	412	259	2,133	3,024
Primary health care	331	4,891	189	5,411	918	6,329	435	5,529	338	6,302	12,631
Unreferred medical services	179	1,853	..	2,032	..	2,032	..	168	179	347	2,379
Dental services	17	197	121	335	153	489	279	1,911	7	2,197	2,686
Other health practitioners	44	319	64	427	..	427	148	870	116	1,135	1,562
Community health and other	—	170	—	170	556	727	—	16	8	24	751
Public health	..	284	..	284	208	493	..	1	—	1	494
Benefit-paid pharmaceuticals	90	1,946	..	2,036	..	2,036	..	381	..	381	2,417
All other medications	..	122	3	125	..	125	7	2,183	27	2,217	2,342
Referred medical services	..	2,730	153	2,883	..	2,883	352	518	..	870	3,753
Other services	33	382	173	588	457	1,045	399	1,014	44	1,457	2,502
Patient transport services	33	1	10	43	457	501	23	181	27	231	731
Aids and appliances	—	110	47	157	..	157	108	833	17	958	1,115
Administration	—	271	116	388	—	387	268	..	..	268	655
Research	—	1,262	..	1,262	175	1,436	..	—	94	94	1,531
Total recurrent expenditure	721	13,080	1,247	15,048	6,753	21,801	2,871	7,883	1,042	11,796	33,597
Capital expenditure	..	15	..	15	497	512	..	..	1,027	1,027	1,539
Medical expenses tax rebate	..	109	..	109	..	109	..	-109	..	-109	—
Total health expenditure	721	13,204	1,247	15,172	7,250	22,422	2,871	7,774	2,069	12,714	35,136

Source: AIHW health expenditure database.

Table B5: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	335	3,938	782	5,055	5,652	10,708	1,822	852	575	3,249	13,957
Public hospital services	137	3,873	90	4,100	5,652	9,753	210	411	300	922	10,674
Private hospitals	198	65	692	955	..	955	1,612	441	275	2,328	3,282
Primary health care	319	4,992	205	5,515	958	6,473	478	5,781	324	6,583	13,056
Unreferred medical services	172	1,947	..	2,119	..	2,119	..	176	183	359	2,477
Dental services	17	124	131	272	179	452	306	2,006	12	2,324	2,776
Other health practitioners	45	342	71	458	..	458	165	912	79	1,156	1,614
Community health and other	—	179	—	179	569	749	—	13	23	36	785
Public health	..	298	..	298	209	507	..	3	1	4	511
Benefit-paid pharmaceuticals	84	1,965	..	2,049	..	2,049	..	396	..	396	2,446
All other medications	..	136	3	139	..	139	7	2,276	25	2,308	2,447
Referred medical services	..	2,894	162	3,055	..	3,055	376	550	..	926	3,981
Other services	32	446	181	659	452	1,112	422	1,065	61	1,548	2,660
Patient transport services	32	1	10	43	453	496	24	225	31	281	777
Aids and appliances	—	114	50	165	..	165	118	840	29	987	1,152
Administration	—	331	120	451	—	451	280	..	..	280	731
Research	—	1,350	..	1,350	167	1,517	..	—	93	93	1,610
Total recurrent expenditure	686	13,619	1,330	15,635	7,230	22,865	3,099	8,249	1,052	12,399	35,264
Capital expenditure	..	10	..	10	913	923	..	..	992	992	1,915
Medical expenses tax rebate	..	59	..	59	..	59	..	-59	..	-59	—
Total health expenditure	686	13,687	1,330	15,704	8,143	23,846	3,099	8,190	2,044	13,332	37,179

Source: AIHW health expenditure database.

Table B6: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	342	4,281	806	5,429	5,876	11,305	1,984	933	643	3,560	14,865
Public hospital services	148	4,209	96	4,454	5,876	10,329	237	469	323	1,029	11,358
Private hospitals	194	72	710	976	..	976	1,747	464	320	2,531	3,507
Primary health care	302	5,213	210	5,725	1,006	6,731	517	5,967	346	6,829	13,560
Unreferred medical services	169	2,080	..	2,249	..	2,249	..	182	196	378	2,627
Dental services	16	199	134	348	157	505	329	2,081	15	2,425	2,929
Other health practitioners	43	370	73	486	..	486	181	938	78	1,197	1,683
Community health and other	—	199	—	199	575	774	—	13	29	43	817
Public health	..	284	..	284	275	558	..	2	1	3	562
Benefit-paid pharmaceuticals	75	1,944	..	2,020	..	2,020	..	384	..	384	2,404
All other medications	..	136	3	139	..	139	7	2,366	26	2,399	2,538
Referred medical services	..	3,032	164	3,196	..	3,196	403	597	..	1,000	4,196
Other services	32	495	185	713	514	1,227	457	1,137	56	1,649	2,876
Patient transport services	32	1	11	44	515	558	26	249	25	300	859
Aids and appliances	—	121	52	173	..	173	129	888	31	1,047	1,220
Administration	—	374	123	496	—	496	302	..	..	302	798
Research	—	1,215	..	1,215	154	1,370	..	..	91	91	1,461
Total recurrent expenditure	677	14,236	1,365	16,278	7,550	23,828	3,360	8,633	1,136	13,129	36,957
Capital expenditure	..	18	..	18	880	899	..	..	1,254	1,254	2,153
Medical expenses tax rebate	..	38	..	38	..	38	..	–38	..	–38	—
Total health expenditure	677	14,292	1,365	16,334	8,430	24,764	3,360	8,595	2,390	14,346	39,110

Source: AIHW health expenditure database.

Table B7: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	403	3,025	601	4,029	4,599	8,628	1,383	653	646	2,683	11,311
Public hospital services	91	2,955	50	3,096	4,550	7,646	115	291	502	908	8,553
Private hospitals	313	70	550	933	49	982	1,268	362	145	1,775	2,757
Primary health care	435	4,033	186	4,655	2,242	6,897	429	3,260	283	3,972	10,869
Unreferred medical services	233	1,510	..	1,743	..	1,743	..	142	171	313	2,055
Dental services	30	157	126	313	169	482	290	571	9	870	1,352
Other health practitioners	72	221	56	349	..	349	128	540	69	738	1,087
Community health and other	—	234	—	235	1,961	2,195	—	13	27	40	2,235
Public health	..	217	..	217	113	330	..	8	..	8	338
Benefit-paid pharmaceuticals	100	1,592	..	1,692	..	1,692	..	310	..	310	2,002
All other medications	..	102	5	107	..	107	10	1,676	7	1,693	1,800
Referred medical services	..	2,169	113	2,282	..	2,282	260	485	..	744	3,026
Other services	24	322	144	490	795	1,284	332	502	15	849	2,133
Patient transport services	23	15	—	39	661	700	—	..	5	5	706
Aids and appliances	—	87	47	134	..	134	108	502	10	619	753
Administration	—	219	97	317	133	450	225	..	..	225	675
Research	—	536	..	536	219	755	..	..	30	30	785
Total recurrent expenditure	862	10,085	1,044	11,991	7,855	19,846	2,404	4,899	975	8,278	28,124
Capital expenditure	..	14	..	14	1,532	1,546	..	..	390	390	1,936
Medical expenses tax rebate	..	77	..	77	..	77	..	-77	..	-77	—
Total health expenditure	862	10,176	1,044	12,083	9,387	21,470	2,404	4,822	1,364	8,590	30,060

Source: AIHW health expenditure database.

Table B8: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	402	3,207	650	4,260	4,731	8,991	1,515	626	695	2,836	11,826
Public hospital services	87	3,126	50	3,263	4,694	7,957	116	276	527	919	8,876
Private hospitals	315	81	601	996	38	1,034	1,399	350	168	1,917	2,951
Primary health care	443	4,191	202	4,836	2,417	7,253	471	3,385	261	4,117	11,370
Unreferred medical services	241	1,612	..	1,852	..	1,852	..	146	163	309	2,161
Dental services	33	98	137	267	192	460	319	587	11	916	1,376
Other health practitioners	76	245	61	382	..	382	142	558	69	768	1,151
Community health and other	—	267	—	267	2,150	2,416	—	20	13	33	2,450
Public health	..	260	..	260	75	335	..	19	..	19	354
Benefit-paid pharmaceuticals	93	1,596	..	1,689	..	1,689	..	316	..	316	2,005
All other medications	..	114	4	118	..	118	10	1,739	6	1,755	1,874
Referred medical services	..	2,344	118	2,463	..	2,463	276	519	..	794	3,257
Other services	25	378	151	554	839	1,393	351	514	16	880	2,273
Patient transport services	24	16	—	40	638	678	—	..	5	5	683
Aids and appliances	1	90	51	142	..	142	118	514	10	642	784
Administration	—	272	100	372	201	573	233	..	..	233	806
Research	—	611	..	611	238	849	..	..	29	29	879
Total recurrent expenditure	870	10,732	1,121	12,723	8,225	20,949	2,613	5,043	1,000	8,656	29,605
Capital expenditure	..	10	..	10	1,255	1,265	..	..	1,235	1,235	2,500
Medical expenses tax rebate	..	41	..	41	..	41	..	-41	..	-41	—
Total health expenditure	870	10,783	1,121	12,774	9,480	22,255	2,613	5,002	2,236	9,850	32,105

Source: AIHW health expenditure database.

Table B9: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	417	3,400	676	4,494	4,930	9,424	1,665	653	716	3,035	12,459
Public hospital services	109	3,321	56	3,485	4,809	8,294	137	326	481	944	9,238
Private hospitals	308	80	621	1,009	122	1,130	1,528	327	235	2,090	3,221
Primary health care	424	4,277	204	4,906	2,498	7,404	503	3,464	259	4,226	11,630
Unreferred medical services	236	1,720	..	1,957	..	1,957	..	149	123	272	2,229
Dental services	31	150	139	320	199	519	342	601	46	989	1,508
Other health practitioners	73	266	62	401	..	401	152	569	63	783	1,184
Community health and other	—	253	—	253	2,188	2,441	—	22	20	42	2,483
Public health	..	237	..	237	112	349	..	20	..	20	369
Benefit-paid pharmaceuticals	83	1,538	..	1,621	..	1,621	..	298	..	298	1,920
All other medications	..	114	4	117	..	117	9	1,805	7	1,822	1,939
Referred medical services	..	2,459	124	2,583	..	2,583	306	518	..	824	3,407
Other services	27	416	156	598	975	1,573	384	534	10	929	2,502
Patient transport services	26	16	—	42	742	785	—	..	2	2	787
Aids and appliances	—	95	51	147	..	147	126	534	8	669	816
Administration	—	304	105	409	233	642	257	..	..	257	899
Research	—	610	..	610	212	821	..	..	28	28	850
Total recurrent expenditure	867	11,162	1,161	13,190	8,616	21,806	2,858	5,170	1,014	9,042	30,848
Capital expenditure	..	9	..	9	957	966	..	..	1,329	1,329	2,295
Medical expenses tax rebate	..	27	..	27	..	27	..	-27	..	-27	—
Total health expenditure	867	11,198	1,161	13,226	9,573	22,799	2,858	5,143	2,343	10,344	33,143

Source: AIHW health expenditure database.

Table B10: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	161	1,562	313	2,036	3,152	5,187	720	286	132	1,138	6,325
Public hospital services	80	1,525	23	1,627	2,752	4,379	54	272	43	369	4,749
Private hospitals	81	38	289	408	400	808	666	14	89	769	1,577
Primary health care	125	1,793	125	2,043	835	2,878	289	1,932	190	2,411	5,289
Unreferred medical services	61	629	..	691	..	691	..	92	113	205	896
Dental services	10	21	90	121	77	197	207	780	6	993	1,190
Other health practitioners	20	98	33	151	..	151	76	92	38	206	357
Community health and other	—	148	—	148	610	758	—	7	8	15	773
Public health	..	113	..	113	148	261	..	..	..	..	261
Benefit-paid pharmaceuticals	34	732	..	766	..	766	..	151	..	151	917
All other medications	..	51	2	54	..	54	6	811	25	841	895
Referred medical services	..	922	61	983	..	983	140	245	..	385	1,368
Other services	8	157	95	260	280	540	219	514	21	754	1,294
Patient transport services	8	16	9	33	179	212	21	2	11	35	246
Aids and appliances	—	44	26	70	..	70	59	509	9	576	646
Administration	—	97	60	157	102	259	139	3	1	143	402
Research	—	288	..	288	74	362	..	1	15	16	379
Total recurrent expenditure	294	4,721	594	5,610	4,341	9,950	1,368	2,979	358	4,705	14,655
Capital expenditure	..	7	..	7	1,009	1,016	..	..	235	235	1,251
Medical expenses tax rebate	..	36	..	36	..	36	..	-36	..	-36	—
Total health expenditure	294	4,764	594	5,652	5,350	11,002	1,368	2,943	593	4,904	15,906

Source: AIHW health expenditure database.

Table B11: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	150	1,696	345	2,191	3,179	5,371	804	323	139	1,267	6,637
Public hospital services	71	1,654	29	1,754	2,718	4,472	67	317	44	427	4,899
Private hospitals	79	42	316	438	461	899	737	6	96	839	1,738
Primary health care	126	1,890	141	2,157	929	3,086	329	2,023	197	2,549	5,636
Unreferred medical services	62	678	..	741	..	741	..	95	120	215	955
Dental services	10	8	102	121	96	217	238	832	6	1,076	1,293
Other health practitioners	22	105	37	164	..	164	85	87	39	211	375
Community health and other	—	154	—	155	709	863	—	12	4	16	879
Public health	..	135	..	135	124	259	..	..	..	..	259
Benefit-paid pharmaceuticals	32	751	..	783	..	783	..	158	..	158	941
All other medications	..	57	2	60	..	60	6	840	28	873	933
Referred medical services	..	989	66	1,055	..	1,055	154	265	..	419	1,474
Other services	8	186	105	299	348	647	245	530	21	796	1,443
Patient transport services	8	16	10	34	203	237	23	3	10	36	273
Aids and appliances	—	45	28	74	..	74	66	523	11	600	673
Administration	—	124	67	192	145	336	156	4	1	161	497
Research	—	317	..	317	75	391	..	1	19	20	411
Total recurrent expenditure	284	5,077	658	6,019	4,530	10,550	1,532	3,142	377	5,051	15,601
Capital expenditure	..	5	..	5	972	977	..	..	461	461	1,438
Medical expenses tax rebate	..	19	..	19	..	19	..	-19	..	-19	—
Total health expenditure	284	5,101	658	6,043	5,502	11,546	1,532	3,123	838	5,493	17,039

Source: AIHW health expenditure database.

Table B12: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	166	1,894	355	2,415	3,458	5,872	873	500	157	1,530	7,403
Public hospital services	88	1,849	27	1,964	2,970	4,934	66	339	40	445	5,379
Private hospitals	78	45	328	450	488	938	807	162	116	1,085	2,024
Primary health care	120	1,980	149	2,249	1,022	3,271	366	2,058	196	2,619	5,890
Unreferred medical services	61	743	..	804	..	804	..	94	122	216	1,020
Dental services	9	38	108	155	72	227	265	856	6	1,128	1,355
Other health practitioners	22	114	38	175	..	175	95	78	37	210	384
Community health and other	—	152	—	152	815	967	—	17	3	20	987
Public health	..	130	..	130	135	265	..	..	..	..	265
Benefit-paid pharmaceuticals	28	746	..	774	..	774	..	146	..	146	919
All other medications	..	57	2	60	..	60	6	867	27	900	960
Referred medical services	..	1,044	68	1,112	..	1,112	166	277	..	444	1,556
Other services	8	205	100	314	346	660	247	549	29	825	1,485
Patient transport services	8	17	10	35	231	266	25	5	12	42	307
Aids and appliances	—	48	30	78	..	78	75	539	16	630	708
Administration	—	141	60	200	116	316	147	5	1	153	469
Research	—	349	..	349	75	424	..	1	17	18	442
Total recurrent expenditure	294	5,472	671	6,438	4,901	11,339	1,652	3,385	399	5,436	16,775
Capital expenditure	..	7	..	7	635	642	..	..	628	628	1,270
Medical expenses tax rebate	..	12	..	12	..	12	..	-12	..	-12	—
Total health expenditure	294	5,491	671	6,457	5,536	11,993	1,652	3,373	1,027	6,052	18,045

Source: AIHW health expenditure database.

Table B13: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	106	1,154	196	1,455	2,064	3,519	451	138	166	756	4,274
Public hospital services	58	1,143	23	1,224	2,059	3,282	52	43	123	219	3,501
Private hospitals	48	10	173	231	5	237	399	95	43	537	774
Primary health care	110	1,577	84	1,770	827	2,597	192	1,097	200	1,489	4,086
Unreferred medical services	53	566	..	619	..	619	..	46	128	173	793
Dental services	9	61	53	123	62	185	122	146	5	272	457
Other health practitioners	15	85	29	129	..	129	66	54	38	158	287
Community health and other	—	89	—	89	661	751	—	64	20	84	835
Public health	..	80	..	80	104	184	..	4	3	7	191
Benefit-paid pharmaceuticals	33	655	..	688	..	688	..	124	..	124	812
All other medications	..	40	2	42	..	42	4	659	7	670	711
Referred medical services	..	765	48	813	..	813	110	109	..	219	1,032
Other services	7	124	63	194	128	322	145	240	25	409	731
Patient transport services	7	7	7	21	128	149	17	81	10	107	257
Aids and appliances	—	34	20	54	..	54	46	159	15	219	273
Administration	—	83	36	119	—	119	83	..	..	83	201
Research	—	278	..	278	52	330	..	3	17	20	350
Total recurrent expenditure	223	3,898	390	4,510	3,071	7,581	899	1,587	408	2,894	10,475
Capital expenditure	..	7	..	7	230	237	..	..	69	69	306
Medical expenses tax rebate	..	20	..	20	..	20	..	-20	..	-20	—
Total health expenditure	223	3,924	390	4,537	3,301	7,838	899	1,567	477	2,943	10,781

Source: AIHW health expenditure database.

Table B14: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	102	1,172	206	1,480	2,360	3,839	480	147	187	815	4,654
Public hospital services	54	1,159	22	1,235	2,354	3,589	51	45	141	236	3,826
Private hospitals	48	13	184	245	5	250	429	102	47	578	828
Primary health care	106	1,601	89	1,797	824	2,620	208	1,133	208	1,549	4,169
Unreferred medical services	51	591	..	642	..	642	..	47	138	184	827
Dental services	9	42	57	108	72	180	133	154	4	291	470
Other health practitioners	16	93	30	139	..	139	71	48	40	159	298
Community health and other	—	91	—	91	664	755	—	65	17	82	837
Public health	..	91	..	91	88	179	..	5	3	7	186
Benefit-paid pharmaceuticals	31	648	..	680	..	680	..	128	..	128	807
All other medications	..	44	2	46	..	46	4	687	7	697	744
Referred medical services	..	801	50	851	..	851	117	116	..	232	1,084
Other services	7	142	66	215	152	367	153	242	29	423	790
Patient transport services	7	7	8	22	152	174	19	85	10	113	287
Aids and appliances	—	36	21	56	..	56	48	157	19	225	281
Administration	—	100	37	136	—	136	86	..	..	86	222
Research	—	295	..	295	59	355	..	3	19	22	377
Total recurrent expenditure	216	4,012	411	4,638	3,394	8,032	957	1,641	443	3,041	11,073
Capital expenditure	..	5	..	5	223	228	..	..	251	251	479
Medical expenses tax rebate	..	10	..	10	..	10	..	-10	..	-10	—
Total health expenditure	216	4,027	411	4,653	3,617	8,271	957	1,630	694	3,282	11,552

Source: AIHW health expenditure database.

Table B15: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	103	1,239	219	1,562	2,333	3,895	539	154	216	910	4,805
Public hospital services	56	1,224	24	1,304	2,329	3,633	59	48	165	272	3,905
Private hospitals	47	15	195	258	5	262	480	107	51	638	900
Primary health care	102	1,620	91	1,814	830	2,644	225	1,148	165	1,539	4,183
Unreferred medical services	51	622	..	673	..	673	..	48	87	135	808
Dental services	8	62	59	129	50	179	145	163	7	316	494
Other health practitioners	16	102	31	149	..	149	76	43	40	159	308
Community health and other	—	92	—	93	685	778	—	64	21	85	863
Public health	..	82	..	82	95	177	..	4	3	7	184
Benefit-paid pharmaceuticals	28	616	..	644	..	644	..	118	..	118	761
All other medications	..	44	2	46	..	46	4	708	7	719	765
Referred medical services	..	843	52	895	..	895	128	123	..	251	1,145
Other services	7	155	69	231	149	380	169	255	32	457	837
Patient transport services	7	7	9	23	149	172	22	88	12	122	294
Aids and appliances	—	38	21	59	..	59	52	167	20	239	298
Administration	—	111	39	150	—	150	96	..	..	96	245
Research	—	271	..	271	41	312	..	2	16	17	329
Total recurrent expenditure	212	4,129	431	4,772	3,354	8,126	1,061	1,682	429	3,173	11,299
Capital expenditure	..	4	..	4	145	149	..	..	343	343	492
Medical expenses tax rebate	..	7	..	7	..	7	..	-7	..	-7	—
Total health expenditure	212	4,140	431	4,783	3,499	8,282	1,061	1,676	772	3,509	11,791

Source: AIHW health expenditure database.

Table B16: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	37	440	69	545	436	982	159	53	42	254	1,236
Public hospital services	19	436	9	463	436	900	20	1	23	43	943
Private hospitals	18	3	61	82	..	82	139	52	20	211	293
Primary health care	42	474	17	533	140	673	39	452	41	532	1,205
Unreferred medical services	21	155	..	176	..	176	..	19	20	39	215
Dental services	2	9	11	22	18	40	26	79	3	108	149
Other health practitioners	6	26	5	37	5	42	12	45	12	69	111
Community health and other	—	30	—	30	92	122	—	—	3	3	125
Public health	..	26	..	26	24	50	..	..	—	—	50
Benefit-paid pharmaceuticals	13	217	..	230	..	230	..	39	..	39	269
All other medications	..	12	1	13	..	13	2	270	2	274	287
Referred medical services	..	228	13	241	..	241	30	37	..	67	308
Other services	3	39	17	59	55	114	39	54	10	102	216
Patient transport services	3	1	—	4	55	60	—	—	7	7	66
Aids and appliances	—	11	6	16	..	16	13	54	3	70	86
Administration	—	27	11	38	—	38	26	..	..	26	64
Research	—	50	..	50	9	59	..	..	2	2	61
Total recurrent expenditure	81	1,230	116	1,428	641	2,069	267	595	96	958	3,027
Capital expenditure	..	3	..	3	12	15	..	..	173	173	188
Medical expenses tax rebate	..	5	..	5	..	5	..	–5	..	–5	—
Total health expenditure	81	1,239	116	1,436	653	2,089	267	590	268	1,126	3,215

Source: AIHW health expenditure database.

Table B17: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	34	474	73	581	407	988	170	67	48	286	1,273
Public hospital services	16	470	9	495	407	902	21	7	26	54	956
Private hospitals	18	4	64	86	..	86	149	60	22	232	317
Primary health care	40	510	18	568	147	715	43	467	40	550	1,265
Unreferred medical services	20	182	..	202	..	202	..	20	21	40	243
Dental services	2	11	12	26	17	43	29	81	3	113	156
Other health practitioners	6	28	5	39	5	44	12	45	12	70	114
Community health and other	—	27	—	27	104	131	—	—	2	2	134
Public health	..	28	..	28	20	48	..	—	—	—	48
Benefit-paid pharmaceuticals	12	220	..	232	..	232	..	41	..	41	272
All other medications	..	14	1	14	..	14	1	280	2	284	298
Referred medical services	..	238	14	252	..	252	32	38	..	70	322
Other services	6	46	18	70	68	138	42	53	9	103	242
Patient transport services	6	1	—	7	68	75	—	—	5	6	81
Aids and appliances	—	11	6	17	..	17	14	53	3	70	87
Administration	—	34	12	46	—	46	28	..	..	28	73
Research	—	59	..	59	14	73	..	..	2	2	76
Total recurrent expenditure	80	1,327	123	1,530	636	2,166	287	626	99	1,012	3,178
Capital expenditure	..	2	..	2	78	80	..	..	81	81	162
Medical expenses tax rebate	..	3	..	3	..	3	..	–3	..	–3	—
Total health expenditure	80	1,332	123	1,535	714	2,249	287	623	181	1,090	3,339

Source: AIHW health expenditure database.

Table B18: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	34	488	79	602	521	1,123	195	58	50	303	1,426
Public hospital services	17	484	10	511	521	1,033	25	19	28	71	1,104
Private hospitals	17	4	69	90	..	90	170	39	22	231	322
Primary health care	39	523	19	580	90	670	46	482	36	564	1,233
Unreferred medical services	20	193	..	213	..	213	..	21	21	41	254
Dental services	2	13	13	28	9	38	32	86	1	118	156
Other health practitioners	6	30	5	41	2	43	13	47	10	70	114
Community health and other	—	27	—	27	66	93	—	—	1	1	95
Public health	..	29	..	29	11	40	..	..	..	..	40
Benefit-paid pharmaceuticals	11	217	..	228	..	228	..	39	..	39	267
All other medications	..	14	1	14	..	14	1	290	2	294	308
Referred medical services	..	248	14	263	..	263	36	40	..	76	339
Other services	7	50	18	76	58	133	44	58	5	107	241
Patient transport services	7	1	—	9	56	64	—	3	2	5	70
Aids and appliances	—	12	6	18	..	18	15	55	3	73	91
Administration	—	37	12	49	2	51	29	..	..	29	80
Research	—	43	..	43	10	54	..	..	1	1	54
Total recurrent expenditure	80	1,353	130	1,563	679	2,243	321	638	91	1,050	3,292
Capital expenditure	..	2	..	2	64	66	..	..	111	111	178
Medical expenses tax rebate	..	2	..	2	..	2	..	-2	..	-2	—
Total health expenditure	80	1,357	130	1,567	743	2,310	321	636	202	1,160	3,470

Source: AIHW health expenditure database.

Table B19: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2012-13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	8	235	36	278	659	937	82	65	19	166	1,103
Public hospital services	19	233	5	257	655	913	11	2	10	23	936
Private hospitals	-12	2	31	21	3	24	71	63	9	143	167
Primary health care	43	262	15	320	215	535	35	293	23	352	886
Unreferred medical services	25	106	..	131	..	131	..	25	11	35	166
Dental services	-2	6	11	15	10	25	24	107	1	132	157
Other health practitioners	12	16	4	32	2	34	10	52	10	72	105
Community health and other	—	15	—	15	173	188	—	..	—	—	189
Public health	..	16	..	16	30	46	..	..	..	..	46
Benefit-paid pharmaceuticals	8	97	..	105	..	105	..	24	..	24	129
All other medications	..	6	—	6	..	6	1	86	2	88	94
Referred medical services	..	140	6	145	..	145	13	62	..	74	220
Other services	41	22	16	79	19	98	37	23	2	62	160
Patient transport services	—	—	6	6	18	25	14	—	1	15	40
Aids and appliances	—	7	4	10	..	10	9	23	1	32	43
Administration	41	15	6	62	1	63	15	..	..	15	77
Research	1	141	..	142	39	181	..	—	6	6	187
Total recurrent expenditure	92	799	73	964	932	1,896	168	442	50	660	2,556
Capital expenditure	..	3	..	3	146	149	..	..	25	25	173
Medical expenses tax rebate	..	13	..	13	..	13	..	-13	..	-13	—
Total health expenditure	92	814	73	979	1,078	2,057	168	429	75	672	2,729

Source: AIHW health expenditure database.

Table B20: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2013-14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	50	310	37	397	621	1,018	86	39	21	145	1,163
Public hospital services	24	308	5	338	618	956	13	3	11	26	982
Private hospitals	25	2	31	59	3	62	73	35	11	119	181
Primary health care	86	264	17	367	220	587	39	302	22	362	949
Unreferred medical services	52	104	..	155	..	155	..	26	10	37	192
Dental services	4	5	11	21	12	32	27	110	1	138	170
Other health practitioners	18	17	5	40	2	42	11	53	9	73	115
Community health and other	—	15	—	15	182	197	—	..	—	—	197
Public health	..	20	..	20	25	46	..	..	..	..	46
Benefit-paid pharmaceuticals	12	97	..	109	..	109	..	23	..	23	132
All other medications	..	6	—	6	..	6	1	89	1	91	98
Referred medical services	..	148	6	154	..	154	13	66	..	79	233
Other services	38	25	5	68	35	102	12	23	2	37	140
Patient transport services	—	—	1	1	35	36	2	—	1	3	39
Aids and appliances	—	7	4	11	..	11	9	23	1	33	44
Administration	38	18	—	56	—	56	1	..	..	1	57
Research	2	131	..	133	43	176	..	—	6	6	182
Total recurrent expenditure	176	878	64	1,118	919	2,037	149	429	51	629	2,666
Capital expenditure	..	2	..	2	94	96	..	..	43	43	139
Medical expenses tax rebate	..	7	..	7	..	7	..	-7	..	-7	—
Total health expenditure	176	886	64	1,126	1,013	2,140	149	422	94	665	2,805

Source: AIHW health expenditure database.

Table B21: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2014-15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	37	332	40	409	661	1,070	99	38	23	160	1,230
Public hospital services	30	329	6	366	654	1,019	14	4	9	27	1,046
Private hospitals	7	3	34	44	7	51	85	34	15	133	184
Primary health care	68	279	17	364	235	599	42	304	17	363	962
Unreferred medical services	47	112	..	159	..	159	..	27	5	32	191
Dental services	1	6	12	19	12	31	29	115	1	145	176
Other health practitioners	8	18	5	30	2	32	12	53	3	68	100
Community health and other	—	17	—	17	195	212	—	..	1	1	212
Public health	..	19	..	19	26	45	..	..	..	..	45
Benefit-paid pharmaceuticals	12	101	..	113	..	113	..	22	..	22	135
All other medications	..	6	—	6	..	6	1	87	7	95	102
Referred medical services	..	157	6	163	..	163	15	70	..	85	248
Other services	40	27	5	72	38	110	13	17	7	37	148
Patient transport services	—	—	1	1	38	39	2	—	1	3	43
Aids and appliances	—	7	4	11	..	11	10	17	6	33	44
Administration	40	20	—	60	—	60	1	..	..	1	61
Research	2	169	..	171	53	224	..	—	7	7	231
Total recurrent expenditure	147	963	69	1,179	987	2,166	169	429	55	653	2,818
Capital expenditure	..	5	..	5	80	85	..	..	56	56	141
Medical expenses tax rebate	..	4	..	4	..	4	..	-4	..	-4	—
Total health expenditure	147	972	69	1,188	1,067	2,255	169	424	112	705	2,960

Source: AIHW health expenditure database.

Table B22: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2012–13 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	4	181	12	197	508	705	29	34	17	80	785
Public hospital services	2	180	1	183	508	691	1	6	12	19	710
Private hospitals	2	—	12	14	..	14	28	27	6	61	74
Primary health care	3	346	6	354	410	764	13	146	25	184	948
Unreferred medical services	1	63	..	64	..	64	..	7	15	22	86
Dental services	—	3	4	7	9	17	8	66	—	75	92
Other health practitioners	1	6	2	9	6	15	4	29	8	40	55
Community health and other	—	190	—	190	303	493	—	—	1	1	494
Public health	..	26	..	26	91	117	..	—	1	1	118
Benefit-paid pharmaceuticals	1	51	..	52	..	52	..	8	..	8	59
All other medications	..	6	—	6	..	6	—	37	—	37	44
Referred medical services	..	58	2	61	..	61	5	13	..	18	78
Other services	—	28	4	33	55	88	10	16	2	28	116
Patient transport services	—	11	—	11	55	66	1	1	1	2	68
Aids and appliances	—	4	2	5	..	5	4	16	1	21	26
Administration	—	14	2	16	—	16	5	—	—	5	21
Research	—	16	..	16	17	32	..	—	1	1	33
Total recurrent expenditure	7	629	25	660	989	1,650	56	209	45	310	1,960
Capital expenditure	..	4	..	4	100	104	..	..	49	49	153
Medical expenses tax rebate	..	2	..	2	..	2	..	-2	..	-2	—
Total health expenditure	7	635	25	666	1,089	1,756	56	207	94	358	2,113

Source: AIHW health expenditure database.

Table B23: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2013–14 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	4	162	13	179	570	748	30	38	23	91	840
Public hospital services	2	161	1	164	570	734	1	8	16	25	759
Private hospitals	2	—	12	14	..	14	29	30	7	66	81
Primary health care	3	367	6	376	307	683	14	151	26	192	875
Unreferred medical services	1	76	..	77	..	77	..	7	17	23	101
Dental services	—	5	4	9	13	22	10	69	—	79	101
Other health practitioners	1	6	2	9	2	11	4	29	8	42	53
Community health and other	—	197	—	197	167	363	—	—	—	1	364
Public health	..	24	..	24	124	148	..	—	1	1	149
Benefit-paid pharmaceuticals	1	53	..	54	..	54	..	8	..	8	62
All other medications	..	7	—	7	..	7	—	38	—	39	46
Referred medical services	..	64	2	67	..	67	6	12	..	18	84
Other services	—	31	4	36	79	115	10	16	3	29	144
Patient transport services	—	11	—	12	76	87	1	1	2	3	90
Aids and appliances	—	4	2	6	..	6	4	15	1	21	26
Administration	—	16	2	19	3	22	6	—	—	6	27
Research	—	23	..	23	12	34	..	—	1	1	35
Total recurrent expenditure	7	647	26	680	967	1,647	61	218	52	331	1,978
Capital expenditure	..	3	..	3	66	69	..	..	20	20	89
Medical expenses tax rebate	..	1	..	1	..	1	..	–1	..	–1	—
Total health expenditure	7	651	26	684	1,033	1,717	61	217	73	350	2,067

Source: AIHW health expenditure database.

Table B24: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2014–15 (\$ million)

Area of expenditure	Government						Non-government				Total health expenditure
	Australian Government				State and local	Total	HIF	Individuals	Other	Total	
	DVA	Health and other	Premium rebates	Total							
Hospitals	4	185	14	204	568	771	35	36	25	96	868
Public hospital services	3	185	1	189	568	756	3	8	18	29	786
Private hospitals	2	—	13	15	..	15	33	27	7	67	82
Primary health care	3	352	6	361	334	695	16	149	26	191	886
Unreferred medical services	1	86	..	87	..	87	..	6	17	23	109
Dental services	—	4	4	9	16	25	11	68	—	79	104
Other health practitioners	—	7	2	9	3	13	5	29	8	42	55
Community health and other	—	173	—	173	178	351	—	—	—	1	352
Public health	..	28	..	28	137	165	..	—	—	—	165
Benefit-paid pharmaceuticals	1	48	..	48	..	48	..	7	..	7	55
All other medications	..	7	—	7	..	7	—	39	1	39	46
Referred medical services	..	68	3	71	..	71	6	13	..	19	90
Other services	—	33	5	38	84	123	12	15	4	31	153
Patient transport services	—	12	—	12	81	93	1	1	2	4	96
Aids and appliances	—	4	2	6	..	6	5	14	2	21	26
Administration	—	18	3	20	4	24	6	—	—	7	31
Research	—	22	..	22	11	33	..	..	1	1	34
Total recurrent expenditure	7	661	28	696	997	1,693	69	214	55	338	2,031
Capital expenditure	..	4	..	4	89	93	..	..	28	28	121
Medical expenses tax rebate	..	1	..	1	..	1	..	–1	..	–1	—
Total health expenditure	7	666	28	701	1,086	1,787	69	213	83	365	2,152

Source: AIHW health expenditure database.

Appendix C: Data sources and methods

Australian Government

Data on Australian Government health expenditure come from the Australian Government Department of the Treasury (Treasury), Australian Government Department of Health and DVA, and include data on expenditure on Medicare and pharmaceutical benefits.

Most of the Australian Government's expenditures can be readily allocated on a state and territory basis. These include:

- the health-care specific purpose payment and the health-related national partnership payments to the states and territories
- Medicare benefits payments (based on the residence of patients)
- pharmaceutical benefit payments (based on the residence of patients)
- DVA expenditure (based on the residence of patients).

Data on other Australian Government health expenditure are generally not available on a state and territory basis. In those cases, proxies are used to derive state and territory estimates. For example, non-Medicare payments to medical service providers aimed at improving or modifying medical practice are allocated according to the proportion of vocationally registered general practitioners in each state or territory.

From November 2008, a Council of Australian Governments reform package agreed to include funding for National Healthcare specific purpose payment and national partnership payments. These payments replaced the second Australian Healthcare Agreement that ended on 30 June 2009. They are made to state treasuries, and can cover several years of funding. The payments include the National Healthcare specific purpose payments and National Health Reform payments for public hospitals, including funding paid into the National Health Funding Pool. It also includes payments associated with the National Partnership Agreement for Improving Public Hospital Services (ceased on 1 July 2015).

Funding reported for 2008–09 in this report includes \$1.2 billion in Australian Government funding through the 5-year National Partnership Agreement on Health and Hospital Workforce Reform. This funding has been offset against 2008–09 state and territory government funding in keeping with the method in this report series. Expenditure of this state and territory funding, however, can be spread over 5 years.

Estimates of tax revenue for the Australian Government do not include the GST.

State and territory and local governments

Most health expenditure data for state and territory governments come from each of the state and territory health authorities. These data are now all supplied on an accruals basis. Before 2007–08, South Australia was only able to supply its data on a cash basis. Since 2008–09, data have been collected through the Government Health Expenditure National Minimum Data Set (GHE NMDS).

Estimates of expenditure by state and territory governments exclude any Australian Government grants and other revenue received by the state and territory health authorities.

Cross-border adjustments are not generally made in these estimates.

Health expenditure data are not collected separately from local government authorities. If local government authorities received funding for health care from the Australian Government or state and territory government, this expenditure is included as expenditure from that body. Own source funding by local government authorities is not included.

Estimates of tax revenue for state and territory governments (and local governments) include the GST.

Public hospitals and public hospital services

State and territory health authorities directly provide estimates of expenditure on 'public hospital services' from 2003–04 onwards. These reflect only that part of public hospitals' expenses that are used in providing hospital services. That is, they exclude expenses incurred in providing community and public health services, dental and patient transport services, and health research that public hospitals undertake. These excluded expenses are shown under their respective categories in the health expenditure matrix. For example, expenditure on patient transport services is reported as part of expenditure on patient transport services.

Dental services

It is arguable that there is some overestimation of health expenditure in the dental area. Expenditure on orthodontics is included in dental expenditure, but the principal main of some of this expenditure is cosmetic, with health being secondary. As a result, some of it should probably not be part of health expenditure.

Contracting of private hospital services

From 2004–05 onwards, the AIHW has collected and reported on funding by state and territory governments for services private hospitals provide. The funding includes where state or territory governments had contracts with private hospitals to provide services to public patients or where individual public hospitals purchased services from private hospitals for public patients.

Research and capital

Data on research, capital expenditure and capital consumption are generally sourced from the ABS.

Research expenditure data in this report come from the *Research and experimental development survey* series (ABS 2010a, 2016d, 2016e), which is generally only available every second year. Where data were unavailable, estimates were calculated based on the data available for the preceding years.

The data for government capital consumption and capital expenditure are sourced from the ABS' Government Finance Statistics.

In previous *Health expenditure Australia* reports, private capital consumption was included as part of recurrent expenditure, while government capital consumption was reported as part of total health expenditure but not recurrent expenditure. From *Health expenditure*

Australia 2007–08 (AIHW 2009) onwards, government capital consumption has been included as part of recurrent health expenditures for all years.

The reasons for incorporating both government and non-government capital consumption as part of recurrent expenditure are that:

- it ensures government and private capital consumption are treated consistently
- international reporting includes depreciation as part of recurrent expenditures.

Non-government

Private hospitals

Spending on private hospitals comes from the annual ABS Private Health Establishments Collection, with the most recent results published in *Private hospitals, Australia, 2014–15* (ABS 2016c). In 2007–08, the collection was not done, and an estimate of private hospital expenditure was made using data from the preceding years.

From 2008–09 onwards, expenditure by individuals in private hospitals was estimated from the reported revenue (rather than reported expenditure which was previously used) in the ABS collection. This has not been updated retrospectively, so care should be taken when comparing private hospital expenditure for years up to 2007–08 with subsequent years.

Health insurance funds

Expenditure on health goods and services by health insurance funds within a state or territory is assumed to be equal to the amount of benefits paid by health insurance funds to patients who live in that state or territory.

Although the Australian Government's premium rebate relates to the premiums payable by health insurance members, it is regarded as being an indirect Australian Government subsidy of the types of activities funded through private health insurance funds.

In April 2007, private health insurance legislation redefined the scope of the health insurance business to mean insuring liability for treatments by a hospital or other general treatment provider to manage a disease, condition or injury. Before the change in legislation, non-health services – such as funeral benefits, domestic assistance and so on – were offered with health insurance policies, and attracted the Australian Government rebate.

In compiling its estimates, the AIHW allocates the rebates across all the expenses that the funds incur each year – including: health (hospital, medical or physiotherapy for instance) and non-health goods and services; management expenses; and any adjustment to provisions for outstanding and unrepresented claims. Only the part of the rebate that can be attributed to benefits for health goods and services (which includes the funds' management expenses) was included when estimating private health insurance health expenditure. This portion of the rebate was deducted from the gross benefits that the health insurance funds paid to calculate net health expenditure by private health insurance funds for particular areas of expenditure. These rebate amounts were then added to the expenditure by the Australian Government for those areas of expenditure.

Before 2009–10, data on private health insurance expenditure for the Australian Capital Territory were included in the total for New South Wales. To estimate expenditure for the

Australian Capital Territory, the AIHW used the Australian Capital Territory's admitted patient separation numbers for public and private hospitals to derive its proportion of total Australian Capital Territory and New South Wales separations, and applied this proportion to the private health insurance expenditure.

From 2009–10, private health insurance expenditure data for the Australian Capital Territory are available separately. These figures have not been updated retrospectively in the data.

Individuals

Estimates of individuals' expenditure on dental services, other health practitioners and aids and appliances mostly rely on detailed private health insurance data from the Private Health Insurance Administration Council. This method uses growth in the cost of services, combined with changes in the proportion of the population who have ancillary cover from year to year, to estimate the individual out-of-pocket expenditure for these categories. Expenditure on these services by private health insurance funds, Medicare and injury compensation insurers is deducted from these estimates to arrive at the estimates of individuals' out-of-pocket funding.

Up to the introduction of the GHE NMDS in 2008–09, estimates of expenditure by individuals on patient transport services were based on data from the Productivity Commission's *Report on government services* (SCRCSSP 2003; SCRGSP 2007, 2009). From 2008–09, these data are provided by states and territories through the GHE NMDS.

Data for over-the-counter medicines sold at pharmacies for 2004–05 were sourced from *Retail pharmacy* (Flanagan 2004a, 2005a). For 2005–06 to 2007–08 and for 2010–11 and 2012–13, these data were sourced from IRI-Aztec to enable a more comprehensive breakdown of each category of products sold. For 2008–09, 2009–10 and 2011–12, estimates were based on data sourced from the *Retail world annual report* (Gloria 2009, 2010, 2011), and past IRI-Aztec data.

Retail sales of medicines in major retail chains such as supermarkets are sourced from *Retail world* (Flanagan 2004b, 2005b, 2006, 2007, 2008) and the *Retail world annual report* (Gloria 2009, 2010, 2011, 2012, 2013, 2014, 2015).

Other non-government sources

Workers compensation and compulsory third-party motor vehicle insurance payments comprise the majority of expenditure for this category. The AIHW obtains these data from state and territory health authorities and the respective injury compensation insurers in each state and territory.

Blank cells in expenditure tables

The national and the state and territory tables in appendixes A and B have some cells for which there is no expenditure recorded. The main reasons are:

- it is assumed there are no funding flows, as they do not exist in the institutional framework for health-care funding—for example, there are no funding flows by the state and territory governments for referred medical services and benefit-paid pharmaceuticals because these are funded by the Australian Government, individuals and private health insurance funds
- the total funding is nil or so small that it rounds to zero—shown as '—'

- a flow of funds exists, but it cannot be estimated from available data sources
- some cells relate to ‘catch-all’ categories, and the data and metadata are of such high quality as to enable all expenditure to be allocated to specified areas. As a result, there are no residual data to allocate to the ‘catch-all’ categories.

Price indexes

There is a wide variety of price indexes (deflators) for the Australian health sector, and these may be distinguished by:

- the scope of the index – the economic variable to which the price indexes refer (such as all health expenditure, capital consumption, capital expenditure); the economic agents over which the indexes are combined (such as all agents, households, all government, state and territory governments); the segment of health services to which the indexes refer (such as all health services, medical services, pharmaceuticals)
- the technical manner in which the indexes are constructed – implicit price deflators or directly computed indexes (for example, base-weighted, current-weighted or symmetric indexes, chained or unchained indexes).

Different indexes are appropriate for different analytical purposes. For this report, the AIHW prefers indexes whose scope matches the particular health services being analysed, rather than broad-brush indexes that cover all health services. Chain indexes, which give better measures of pure price change, are preferred to implicit price deflators. But available indexes are not always ideal, and in some cases it has been necessary to use proxies for the preferred indexes.

Neither the consumer price index nor its health services subgroup is appropriate to measure movements in overall prices of health goods and services, nor to deflate macro-expenditure aggregates. This is because the consumer price index only measures movements in the prices that households face. The overall consumer price index and its components do not, for example, include government subsidies, benefit payments and non-marketed services that governments provide.

The deflators that the AIHW uses in this report are either annually re-weighted Laspeyres (base-period-weighted) chain price indexes or implicit price deflators. The chain price indexes are calculated at a detailed level, and they provide a close approximation to measures of pure price change, while changes in the composition of goods affect implicit price deflators.

The implicit price deflators for the gross domestic product and gross national expenditure are broad measures of price change in the national accounts. They provide an indication of the overall changes in the prices of goods and services produced in Australia. The reference year for both the chain price indexes and implicit price deflators in this report is 2014–15. As such, constant price estimates indicate what expenditure would have been, had 2014–15 prices applied in all years. The change in constant price expenditures is a measure of changes in the volume of health goods and services.

This report uses 9 deflators (Table C1). Most deflators are very specific to the type of expenditure they are applied to. For example, for hospitals the government final consumption expenditure (GFCE) hospitals and nursing homes deflator is used.

Table C1: Area of health expenditure, by type of deflator applied

Area of expenditure	Deflator applied
Public hospitals ^(a) /Public hospitals services ^(a)	GFCE hospitals and nursing homes
Private hospitals	GFCE hospitals and nursing homes
Patient transport services	GFCE hospitals and nursing homes
Medical services (incl. unreferral and referred services)	Medicare medical services fees charged
Dental services	Dental services
Other health practitioners	Other health practitioners
Community health and other ^(b)	Professional health workers wage rate index
Public health	GFCE hospitals and nursing homes
Benefit-paid pharmaceuticals	PBS pharmaceuticals
All other medications	HFCE on chemist goods
Aids and appliances	Aids and appliances
Administration	Professional health workers wage rate index
Research	Professional health workers wage rate index
Capital expenditure	Gross fixed capital formation
Medical expenses tax rebate	Professional health workers wage rate index

(a) Public hospital services exclude certain services provided in hospitals, and can include services provided off-site, such as hospital in the home and dialysis.

(b) 'Other' includes recurrent health expenditure that could not be allocated to a specific area of expenditure. For example, expenditure by substance abuse treatment centres, providers of general health administration, or providers of regional health services not further defined.

The following deflators are sourced from the ABS: GFCE hospitals and nursing homes; professional health workers wage rate index; household final consumption expenditure on chemist goods; and gross fixed capital formation. The ABS deflators use 2013–14 as their base year, but for this report the AIHW has re-referenced them to 2014–15. The AIHW has derived the chain price index for Medicare medical services fees charged and the implicit price deflator for Pharmaceutical Benefits Scheme pharmaceuticals from data provided by the Australian Government Department of Health. The AIHW has derived the implicit price deflators for dental services, other health practitioners and aids and appliances from ABS and Private Health Insurance Administration Council data.

Total health price index

The total health price index is the AIHW's index of annual ratios of estimated total national health expenditure at current prices to estimated total national health expenditure at constant prices. All prices in the total health price index for this report are referenced to 2014–15 (that is, the deflators used are given a value of 100 in 2014–15). As a result, because in most years there is positive health inflation, prices in all years before the reference year would be expected to be lower than those applying in the reference year. So all years before the reference year would usually have an index number of less than 100, except for those years where there was negative health inflation – for example, where prices in some areas of health expenditure were lower than the previous year (see tables C2 and C3).

The AIHW's method for deriving constant price estimates also allows it to produce total health price indexes for each state and territory. As the national total health price index is a measure of the change in average health prices from year to year at the national level, it can be used as a broad deflator for the health sector. It is not the deflator that is used to convert current price expenditures to constant price estimates in the AIHW's National Health Accounts. This is done at the individual expenditure component level.

Table C2 shows the total health price index and other industry-wide indexes used in this report, referenced to 2014–15. Table C3 shows the corresponding annual growth rates for each of these indexes over the decade to 2014–15.

Table C2: Total health price index and industry-wide indexes, 2004–05 to 2014–15 (reference year 2014–15 = 100)

Index	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15
Total health price index ^(a)	79.0	82.3	85.1	87.1	89.6	91.8	92.6	94.2	96.5	98.4	100.0
Government final consumption expenditure on hospitals and nursing homes	74.1	77.4	80.7	83.0	85.7	89.0	90.1	92.3	95.0	97.7	100.0
Medicare medical services fees charged ^(b)	80.6	85.1	87.8	88.6	92.0	93.8	95.2	96.8	99.1	98.9	100.0
Dental services ^(a)	78.4	81.6	86.1	89.5	92.6	95.0	95.8	95.8	97.2	98.5	100.0
Other health practitioners ^(a)	75.0	78.6	80.2	80.1	83.5	85.6	88.4	93.2	96.3	100.3	100.0
Professional health workers wage rates	70.1	73.3	76.7	79.6	82.6	85.9	88.9	91.5	94.6	97.3	100.0
PBS pharmaceuticals ^(a)	99.9	99.9	99.9	100.0	100.2	100.3	100.3	100.3	100.2	100.0	100.0
HFCE on chemist goods	97.0	98.0	100.8	101.2	99.7	100.7	98.8	97.7	99.2	100.8	100.0
Aids and appliances ^(a)	106.4	109.3	111.6	114.7	112.8	107.4	101.4	99.4	99.3	96.7	100.0
Australian Government gross fixed capital formation	87.2	98.1	96.4	102.8	106.1	103.4	101.6	100.5	100.2	99.7	100.0
State and territory and local government gross fixed capital formation	77.1	86.1	87.1	95.1	98.9	96.3	96.9	97.9	98.9	99.6	100.0
Private gross fixed capital formation	87.0	88.6	90.9	92.6	94.5	94.3	95.2	94.9	95.7	97.8	100.0
Gross domestic product	75.1	78.9	82.8	86.6	90.8	91.8	97.4	99.4	99.2	100.6	100.0
Gross national expenditure	78.2	80.6	83.5	86.1	89.1	90.6	92.6	94.5	96.3	98.4	100.0

(a) Implicit price deflator, constructed by the AIHW.

(b) Chain price index, constructed by the AIHW.

Source: AIHW health expenditure database.

Table C3: Growth rates for the total health price index and industry-wide indexes, 2004–05 to 2014–15 (%)

Index	2004–05 to 2005–06	2005–06 to 2006–07	2006–07 to 2007–08	2007–08 to 2008–09	2008–09 to 2009–10	2009–10 to 2010–11	2010–11 to 2011–12	2011–12 to 2012–13	2012–13 to 2013–14	2013–14 to 2014–15
Total health price index ^(a)	4.2	3.3	2.3	2.9	2.4	1.0	1.7	2.4	2.0	1.7
Government final consumption expenditure on hospitals and nursing homes	4.5	4.2	2.9	3.3	3.8	1.3	2.4	3.0	2.8	2.4
Medicare medical services fees charged ^(b)	5.6	3.1	0.9	3.9	2.0	1.5	1.7	2.3	–0.2	1.1
Dental services ^(a)	4.1	5.5	4.0	3.5	2.5	0.9	—	1.5	1.3	1.5
Other health practitioners ^(a)	4.8	2.0	–0.1	4.2	2.6	3.2	5.5	3.3	4.1	–0.3
Professional health workers wage rates	4.6	4.5	3.8	3.8	4.0	3.5	3.0	3.4	2.8	2.8
PBS pharmaceuticals ^(a)	—	—	0.1	0.2	0.1	—	—	–0.1	–0.2	—
HFCE on chemist goods	1.0	2.9	0.4	–1.5	1.0	–1.9	–1.1	1.5	1.6	–0.8
Aids and appliances ^(a)	2.7	2.1	2.8	–1.7	–4.8	–5.6	–1.9	–0.1	–2.6	3.4
Australian Government gross fixed capital formation	12.5	–1.7	6.6	3.2	–2.5	–1.7	–1.1	–0.3	–0.5	0.3
State and territory and local government gross fixed capital formation	11.6	1.2	9.3	4.0	–2.6	0.6	1.0	1.0	0.7	0.4
Private gross fixed capital formation	1.8	2.6	1.8	2.1	–0.2	0.9	–0.3	0.8	2.1	2.3
Gross domestic product	5.1	5.0	4.5	4.9	1.0	6.2	2.1	–0.2	1.4	–0.6
Gross national expenditure	3.0	3.5	3.2	3.4	1.8	2.2	2.0	1.9	2.2	1.6

(a) Implicit price deflator, constructed by the AIHW.

(b) Chain price index, constructed by the AIHW.

Source: AIHW health expenditure database.

Population estimates

The estimated resident population as at 31 December 2015 (ABS 2016a) is used to calculate the per person estimates of expenditure. Per person estimates contained in this report are therefore not comparable to those published in earlier reports that used previously published estimated resident population data.

Table C4 shows the Australian and state and territory estimated resident populations, while Table C5 shows annual population growth.

Table C6 shows the number of insured persons with hospital treatment cover between 2004–05 and 2014–15.

Table C4: Estimated resident population, by state and territory, 2004–05 to 2014–15 ('000)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia ^(a)
2004–05	6,669	4,957	3,872	1,994	1,533	485	329	204	20,044
2005–06	6,718	5,023	3,964	2,030	1,545	488	334	207	20,309
2006–07	6,786	5,104	4,056	2,077	1,561	492	338	211	20,625
2007–08	6,884	5,200	4,160	2,135	1,578	496	344	217	21,013
2008–09	7,002	5,313	4,276	2,209	1,598	502	351	223	21,473
2009–10	7,102	5,419	4,367	2,264	1,619	506	358	228	21,863
2010–11	7,180	5,496	4,437	2,319	1,632	510	365	230	22,169
2011–12	7,262	5,583	4,519	2,392	1,647	512	371	233	22,517
2012–13	7,357	5,681	4,609	2,480	1,662	512	378	239	22,918
2013–14	7,460	5,785	4,685	2,536	1,677	514	383	243	23,283
2014–15	7,565	5,887	4,749	2,573	1,692	515	388	243	23,611

(a) Excludes Other Territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.

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

Source: ABS 2016a.

Table C5: Annual population growth, by state and territory, 2004–05 to 2014–15 (%)

Period	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia^(a)
2004–05 to 2005–06	0.7	1.3	2.3	1.7	0.8	0.6	1.2	1.7	1.3
2005–06 to 2006–07	1.0	1.6	2.3	2.3	1.0	0.7	1.4	1.7	1.5
2006–07 to 2007–08	1.4	1.8	2.5	2.7	1.1	0.8	1.7	2.6	1.8
2007–08 to 2008–09	1.7	2.1	2.7	3.4	1.2	1.1	2.0	2.7	2.1
2008–09 to 2009–10	1.4	1.9	2.1	2.4	1.2	0.9	1.9	2.3	1.8
2009–10 to 2010–11	1.1	1.4	1.5	2.4	0.8	0.7	1.9	1.1	1.4
2010–11 to 2011–12	1.1	1.5	1.8	3.1	0.8	0.3	1.7	1.0	1.5
2011–12 to 2012–13	1.3	1.7	1.9	3.6	0.9	0.1	1.8	2.8	1.7
2012–13 to 2013–14	1.3	1.8	1.6	2.2	0.8	0.2	1.4	1.4	1.5
2013–14 to 2014–15	1.4	1.7	1.3	1.4	0.8	0.2	1.1	0.1	1.4
Average annual growth rate (%)									
2004–05 to 2009–10	1.2	1.7	2.4	2.5	1.0	0.8	1.6	2.2	1.7
2009–10 to 2014–15	1.2	1.6	1.6	2.5	0.8	0.3	1.6	1.3	1.5
2004–05 to 2014–15	1.2	1.7	2.0	2.5	0.9	0.6	1.6	1.7	1.6

(a) Excludes Other Territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.

Source: ABS 2016a.

Table C6: Number of insured persons with hospital treatment coverage, 2004–05 to 2014–15

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2004–05	2,962,743	2,112,766	1,576,205	920,629	674,882	205,013	179,084	63,337	8,694,657
2005–06	2,988,945	2,128,507	1,614,167	949,550	679,193	204,546	180,668	63,821	8,809,398
2006–07	3,041,952	2,180,529	1,675,599	991,121	689,397	206,560	183,872	66,127	9,035,157
2007–08	3,141,984	2,267,809	1,774,475	1,055,205	708,720	212,894	189,918	72,645	9,423,650
2008–09	3,193,606	2,317,560	1,848,647	1,110,380	721,201	215,998	193,039	76,215	9,676,645
2009–10	3,254,655	2,367,368	1,896,070	1,149,675	731,367	218,535	196,229	79,581	9,893,479
2010–11	3,338,166	2,429,268	1,955,553	1,206,991	742,557	221,545	203,170	83,246	10,180,497
2011–12	3,415,781	2,485,557	2,017,393	1,258,238	752,159	225,134	209,233	86,522	10,450,017
2012–13	3,496,307	2,544,409	2,084,627	1,324,499	763,730	228,520	215,769	90,810	10,748,671
2013–14	3,568,274	2,600,974	2,131,816	1,374,962	772,739	230,889	221,393	94,122	10,995,168
2014–15	3,640,078	2,653,643	2,160,875	1,417,662	782,314	232,650	225,822	96,600	11,209,642

Note: Data are the average of the 4 quarters of the financial year.

Source: PHIAC various years.

Appendix D: Data quality statement for AIHW health expenditure data—2014–15 release

Summary of key data quality issues

- Total health expenditure excludes some types of health-related expenditure, including health-related Australian Defence Force expenditure, some local government expenditure and some non-government organisation expenditure, such as that by the National Heart Foundation and Diabetes Australia.
- The state and territory estimates are intended to give some indication of differences in the overall levels of expenditure on health within the states and territories; they do not necessarily reflect levels of activity by state and territory governments.
- The data, to the greatest extent possible, are produced on an accrual basis.
- Estimates in this report are not comparable with the data published in reports issued before 2005–06, due to the reclassification of expenditure on high-level residential aged care from ‘health services’ to ‘welfare services’.

Description

The AIHW annually compiles its health expenditure database, which comprises a wide range of information about health expenditure in Australia. Data from this database are reported 15 months after the end of the financial year. Each release provides a 10-year time series from the reference year. In this release, estimates are provided for 2014–15 and back to 2004–05.

Health expenditure is defined as expenditure on health goods and services and health-related investment. The definition closely follows the definitions and concepts that the OECD System of Health Accounts (OECD, Eurostat & WHO 2011) framework provides. It excludes:

- expenditure that may have a health outcome, but is incurred outside the health sector (such as expenditure on building safer transport systems and educating health practitioners)
- expenditure on personal activities not directly related to maintaining or improving personal health
- expenditure that does not have health as the main area of expected benefit.

Recurrent expenditure and capital expenditure are included.

These data are provided to the OECD annually to enable the monitoring of the impact of changes in the way health care is delivered and financed, as well as to enable international comparisons.

Institutional environment

The AIHW is a major national agency set up by the Australian Government under the *Australian Institute of Health and Welfare Act 1987* to provide reliable, regular and relevant information and statistics on Australia's health and welfare. It is an independent corporate Commonwealth entity established in 1987, governed by a management board, and accountable to the Australian Parliament through the Australian Government health portfolio.

The AIHW aims to improve the health and wellbeing of Australians through better health and welfare information and statistics. It collects and reports information on a wide variety of topics and issues – from health and welfare expenditure, hospitals, disease and injury, and mental health, to ageing, homelessness, disability and child protection.

The Institute also plays a role in developing and maintaining national metadata standards. This work contributes to improving the quality and consistency of national health and welfare statistics. The Institute works closely with governments and non-government organisations to achieve greater adherence to these standards in administrative data collections, to promote national consistency and comparability of data and reporting.

One of the main functions of the AIHW is to work with the states and territories to improve the quality of administrative data, and, where possible, to compile national data sets based on data from each jurisdiction, to analyse these data sets, and to disseminate information and statistics.

The *Australian Institute of Health and Welfare Act 1987*, in conjunction with compliance to the *Privacy Act 1988*, (Cth) ensures that the data collections managed by the AIHW are kept securely and under the strictest conditions with respect to privacy and confidentiality.

For further information see <www.aihw.gov.au>.

The AIHW's expenditure reporting forms Australia's National Health Accounts, which are distinct from but related to the National Accounts produced by the ABS.

The AIHW compiles its health expenditure database from a wide variety of government and non-government sources. Since 2008–09, the main source of state and territory government expenditure data has been the Government Health Expenditure National Minimum Data Set (GHE NMDS), which is data provided by the states and territories to the AIHW. Information about Australian Government expenditure is sourced from the Australian Government Department of Health and Treasury.

Timeliness

This release includes data for the 2014–15 financial year, as well as data back to 2004–05.

The AIHW health expenditure database cannot be compiled for a given year until all providers have supplied data for that year. Timely reporting depends on whether all providers meet the deadline for data supply. Any delay to data supply past the deadline has an impact on the release date.

The data are generally released 15 months after the end of the reference year, as part of the *Health expenditure Australia* series of publications.

There have been some revisions to previously published estimates of health expenditure, due to receipt of extra or revised data or changes in method. As a result, comparisons over

time should be based on the estimates provided in the most recent publication, or from the online data cubes, rather than by reference to earlier editions.

Accessibility

Reports are published and are available on the AIHW website where they can be downloaded without charge, see <www.aihw.gov.au/expenditure-publications/>.

Data are also available through data cubes at <<http://www.aihw.gov.au/expenditure-data/>>.

General enquiries about AIHW publications can be made to the Digital and Media Communications Unit on (02) 6244 1000 or via email to <info@aihw.gov.au>.

Specific enquiries about health expenditure data can be made to the Expenditure and Workforce Unit.

Interpretability

See Appendix C for detailed descriptions of concepts, data sources and estimation methods, and see the Glossary for the terms used. Further information on the GHE NMDS can also be found on the AIHW's METeOR system, see <<http://meteor.aihw.gov.au/content/index.phtml/itemId/540601>>.

Relevance

Scope and coverage

The AIHW health expenditure database is highly relevant for monitoring trends in health expenditure, including international comparisons. Policy-makers, researchers, government and non-government organisations, and the public use these data for many purposes.

Comparisons with GDP enable consideration of the size of the health sector relative to the broader economy, and per person expenditure provides an indication of changes in expenditure in relation to the population.

The relative contribution of the Australian Government and state and territory governments is relevant to health policy and administration. Similarly, non-government sector expenditure, including the out-of-pocket expenses of individuals, is also relevant to various health policy issues, such as those related to access and provision of services.

The estimates enable state and territory governments to monitor the impact of their policy initiatives on overall expenditures on health goods and services provided within their borders.

Reference period

The most recent reference period for these data is the 2014–15 financial year.

Geographic detail

Data are presented at the national and state and territory levels.

Statistical standards

The data are collated in terms of the AIHW's classification of area of expenditure and source of funds as well as the OECD's System of Health Accounts.

Accuracy

Potential sources of error

Total health expenditure reported for Australia (both domestically and internationally) is slightly underestimated – it excludes some types of health-related expenditure, including health-related Australian Defence Force expenditure and some local government expenditure.

Some of the expenditure by non-government health organisations – such as the National Heart Foundation and Diabetes Australia – is also not included. In particular, most of the non-research expenditure funded by donations to these organisations is not included, as data are not available.

The estimates do not include indirect expenditure such as the cost of lost wages for people accessing health services.

In some cases public hospitals receive fees from medical practitioners in return for the right to practice privately within the hospital. The medical practitioner may then receive payment from the Medicare Benefits Schedule, individuals and/or private health insurance funds for these services. The expenditure from these sources is captured in the expenditure data, but the fees received by the hospital are not always captured as revenue in the hospitals data. This can effectively lead to a double counting of expenditure on the same service. That is, it appears as though the hospital paid for a portion of the service as well as the Medicare Benefits Schedule, for example.

The AIHW does not separately collect health expenditure information from local government authorities. If local government authorities received funding for health care from the Australian Government or state and territory government, it appears as expenditure by that respective body.

The data, to the greatest extent possible, are produced on an accrual basis; that is, expenditures and funding reported for each area relate to expenses and revenues incurred in the year in which they are reported. This is not always achievable. For example, the data from private health insurance funds are sometimes provided on the basis of the date when the claims for benefit are processed, which is not necessarily the same as the date when the services were provided.

Data validation

Data provided by state and territory health agencies are validated by the agency to ensure they have been collected accurately. State and territory health agencies are also provided with an opportunity to review the final data for their jurisdiction before publication.

Agency participation

The AIHW's Health Expenditure Advisory Committee provides advice on the health expenditure collection and reporting. The committee meets twice a year and consists of representatives from the Australian Government Department of Health, Treasury, ABS, DVA, Commonwealth Grants Commission, Australian Government Department of Human Services, the Australian Prudential Regulation Authority, and each state and territory health department.

Coherence

Due to differing estimation methods and data sources, state and territory estimates reported here may differ from the data published by individual jurisdictions and in other reports, including AIHW reports such as the *Australian Hospital Statistics* series and publications by the Independent Hospital Pricing Authority, the National Health Funding Body and the Productivity Commission.

Since 2008–09, data presented in this series have been collected through the GHE NMDS. The data collection process requires state and territory data providers to allocate expenditure against a different range of categories from those used for previous collections. These data have been mapped back to the expenditure categories from previous *Health expenditure Australia* reports to ensure consistency and comparability in these statistics over time.

Glossary

accrual accounting: The method of accounting that governments in Australia now most commonly use. Relates expenses, revenues and accruals to the period in which they are incurred (see **cash accounting**).

admitted patient: A patient who undergoes a hospital's formal admission process to receive treatment and/or care. This treatment and/or care are provided over time and can occur in hospital and/or in the person's home (for hospital in the home patients).

aids and appliances: Durable medical goods dispensed to ambulatory patients that are used more than once, for therapeutic purposes, such as glasses, hearing aids, wheelchairs and orthopaedic appliances and prosthetics that are not implanted surgically, but are external to the user of the appliance. Excludes prostheses fitted as part of admitted patient care in a hospital.

Australian Government administered expenses: Expenses that the Australian Government Department of Health incurs in administering resources on behalf of the Government to contribute to the specified outcome. This includes most grants in which the recipient has some control over how, when and to whom funds can be expended, including Public Health Outcome Funding Agreements payments and specific purpose payments to state and territory governments (see **Australian Government departmental expenses**).

Australian Government departmental expenses: Expenses that the Australian Government Department of Health incurs in delivering the department's outputs. This mostly consists of the cost of employees, but also includes suppliers of goods and services, particularly those where the Australian Government retains full control of how, when and to whom funds are to be provided (see **Australian Government administered expenses**).

Australian Government health expenditure: Total expenditure that the Australian Government actually incurs on its own health programs. It does not include the funding provided by the Australian Government to the states and territories by way of grants under section 96 of the Constitution.

Australian Government health funding: The sum of Australian Government expenditure and section 96 (of the Constitution) grants to states and territories. This includes the private health insurance premium rebate (see **rebates on health insurance premiums**).

average annual growth rate: To calculate the average annual growth rate in health expenditure between 2004–05 and 2014–15, the following formula applies:
$$\left(\frac{\$ \text{ million in 2014–15}}{\$ \text{ million in 2004–05}}\right)^{(1/10)-1} * 100.$$

benefit-paid pharmaceuticals: Pharmaceuticals listed in the schedule of the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme for which pharmaceutical benefits have been paid or are payable. Does not include listed pharmaceutical items where the full cost is met from the patient copayment under the Pharmaceutical Benefits Scheme or Repatriation Pharmaceutical Benefits Scheme.

capital consumption: The amount of fixed capital used up each year in the provision of health goods and services (sometimes referred to as depreciation).

capital expenditure: Expenditure on fixed assets (for example, new buildings and equipment with a useful life that extends beyond 1 year). This does not include changes in inventories.

This term is used in this publication to refer to what the ABS calls gross fixed capital formation (see **capital formation**).

capital formation: Gross fixed capital formation is the value of acquisitions less disposals of new or existing fixed assets. Assets consist of tangible or intangible assets that have come into existence as outputs from processes of production, and that are themselves used repeatedly or continuously in other processes of production over periods of time longer than 1 year. See *Australian national accounts: concepts, sources and methods* (ABS 2000, 2015) for more details (see **capital expenditure**).

cash accounting: Relates receipts and payments to the period in which the cash transfer actually occurred. Cash accounting does not have the capacity to reflect non-cash transactions, such as depreciation (see **accrual accounting**).

chain price index: An annually re-weighted index providing a close approximation to measures of pure price change.

community health services: Non-residential health services that establishments offer to patients/clients, in an integrated and coordinated manner in a community setting, or the coordination of health services elsewhere in the community. Such services are provided by, or on behalf of, state and territory governments.

Includes, for example:

- well baby clinics
- health services provided to particular groups, such as Aboriginal and Torres Strait Islander people, women, youth and migrants, as well as family planning services, alcohol and drug treatment services
- specialised mental health programs delivered in a community setting.

constant prices: Constant price expenditure adjusts current prices for the effects of inflation – that is, it aims to remove the effects of inflation. Constant price estimates for expenditure aggregates have been derived using either annually re-weighted chain price indexes or implicit price deflators. The reference year for both the chain price indexes and the implicit price deflators is 2014–15 in this report. Constant price estimates indicate what expenditure would have been, had 2014–15 prices applied in all years. As a result, 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.

current prices: Refers to expenditures reported for a particular year, unadjusted for inflation. Changes in current price expenditures reflect changes in both price and volume.

dental services: Services that registered dental practitioners provide, such as: oral and maxillofacial surgery items; orthodontic, pedodontic and periodontic services; cleft lip and palate services; dental assessment and treatment; and other dental items listed in the Medicare Benefits Schedule.

excess health inflation: The difference where the health inflation rate exceeds the general inflation rate – that is, the rise in the price of goods and services in the health-care sector exceeds the rise in the price of goods and services in the economy as a whole.

general inflation: The rise in the general price level of goods and services in the economy.

Government Finance Statistics: Provides details of revenues, expenses, cash flows, assets and liabilities of the Australian public sector, and comprises units that are owned and/or controlled by the Australian Government, state and territory governments and local governments. See ABS 2005 and ABS 2010b for more details.

gross domestic product (GDP): Commonly used to indicate national income – the total market value of goods and services produced within a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital.

gross national expenditure (GNE): An alternative measure to GDP, GNE is equal to GDP minus export income, but including imports.

health administration: Activities related to the formulation and administration of government and non-government policy in health, and in the setting and enforcement of standards for health personnel and for hospitals, clinics and so forth. Activities include the regulation and licensing of providers of health services.

It includes only those administrative services that cannot be allocated to a particular health good and service. Such services might include, for example: maintaining an office of the Chief Medical Officer; a departmental liaison officer in the office of the Minister; or other agency-wide items for which it is not possible to derive appropriate or meaningful allocations to particular health programs.

health inflation: The rise in the price level of goods and services in the health sector.

health research: Research done at tertiary institutions, in private non-profit organisations, and in government facilities that has a health socioeconomic objective.

It excludes commercially oriented research that private business funds, the costs of which are assumed to be included in the prices charged for the goods and services (for example, medications that have been developed and/or supported by research activities).

hospital services: Services provided to a patient who is receiving admitted patient services or non-admitted patient services in a hospital, but excludes dental services, community health services, patient transport services, public health activities, and health research done within the hospital. They can include services provided off-site, such as dialysis, hospital in the home or other services.

household final consumption expenditure: Net expenditure on goods and services by households and by private non-profit institutions serving households.

implicit price deflator: An index obtained using the ratio of current price expenditure to constant price expenditure.

individuals' out-of-pocket funding: Payments by individuals where they meet the full cost of a good or service, or where they share the cost of goods and services with third-party payers, such as private health insurance funds or the Australian Government.

injury compensation insurers: Workers compensation and compulsory third-party motor vehicle insurers.

jurisdictions: State and territory and local governments.

local government: A public sector unit where the political authority underlying its function is limited to a local government area or other region within a state or territory, or the functions involve policies that are primarily of concern at the local level.

medical expenses tax rebate: An Australian Government subsidy to assist with the cost of medical expenses. It applies to a wide variety of health expenditures, not just expenses associated with doctors.

medical services: Includes services provided by, or on behalf of, registered medical practitioners that are funded by the Medicare Benefits Schedule, Australian Government Department of Veterans' Affairs, compulsory motor vehicle third-party insurance, workers compensation insurance, private health insurance funds, Australian Government premium rebates allocated to medical services, Medicare copayments, and other out-of-pocket payments.

Most medical services in Australia are provided on a fee-for-service basis and attract benefits from the Australian Government under Medicare. These include both private in-hospital medical services and out-of-hospital medical services.

They also include medical services not from the Medicare Benefits Schedule, such as vaccines for overseas travel, as well as some expenditure by the Australian Government under alternative funding arrangements.

They exclude medical services provided to public admitted patients in public hospitals and medical services provided to public patients at outpatient clinics in public hospitals.

medications: Benefit-paid pharmaceuticals and other medications.

nominal expenditure: Expenditure expressed in terms of current prices.

other health practitioner services: Services that health practitioners (other than doctors and dentists) provide. These include chiropractors, optometrists, physiotherapists, speech therapists, audiologists, dietitians, podiatrists, homeopaths, naturopaths, practitioners of Chinese medicine, and other forms of traditional medicine.

other medications: Pharmaceuticals for which no Pharmaceutical Benefits Scheme or Repatriation Pharmaceutical Benefits Scheme benefit was paid. They include:

- pharmaceuticals listed in the Pharmaceutical Benefits Scheme or Repatriation Pharmaceutical Benefits Scheme, the total costs of which are equal to, or less than, the statutory patient contribution for the class of patient (under copayment pharmaceuticals)
- pharmaceuticals dispensed through private prescriptions that do not fulfil the criteria for payment of benefit under the Pharmaceutical Benefits Scheme
- Repatriation Pharmaceutical Benefits Scheme over-the-counter medicines, including pharmacy-only medicines, aspirin, cough and cold medicines, vitamins and minerals, herbal and other complementary medicines, and various medical non-durables, such as condoms, adhesive and non-adhesive bandages.

over-the-counter medicines: Therapeutic medicinal preparations that are primarily bought from pharmacies and supermarkets.

patient transport services: Expenditure by organisations primarily engaged in providing transportation of patients by ground or air, along with health (or medical) care. These services are often provided during a medical emergency, but are not restricted to emergencies. The vehicles are equipped with lifesaving equipment operated by medically trained personnel. Patient transport services include public ambulance services or flying doctor services, such as Royal Flying Doctor Service and Care Flight. Also includes patient transport programs, such as patient transport vouchers or support programs to assist

isolated patients with travel to obtain specialised health care. For 2003–04 onwards, this category includes patient transport expenses that are included in the operating costs of public hospitals.

Pharmaceutical Benefits Scheme: A national, government-funded scheme that subsidises the cost of a wide variety of pharmaceutical drugs, and that covers all Australians to help them afford standard medications. The Pharmaceutical Benefits Schedule lists all the medicinal products available under the Pharmaceutical Benefits Scheme and explains the uses for which they can be subsidised (see **Repatriation Pharmaceutical Benefits Scheme**).

primary health care: Primary health-care expenditure includes recurrent expenditure on health goods and services, such as medical services, dental services, other health practitioner services, pharmaceuticals and community and public health services. Primary health-care services are delivered in numerous settings, such as general practices, community health centres, allied health practices (for example, physiotherapy, dietetic and chiropractic practices, and tele-health), and under numerous funding arrangements.

Private Health Insurance Incentives Scheme: Introduced on 1 July 1997 to encourage more people to take out private health insurance. It provided a subsidy to low-income earners who did, and a tax penalty to high-income earners who did not. Middle-income earners were not the target of this policy and, as such, were neither eligible for the tax subsidy nor liable to incur a tax penalty, regardless of their private health insurance status. The scheme ended on 31 December 1998.

private hospital: A health-care provider facility, other than a public hospital, that has been established under state or territory legislation as a hospital or freestanding day procedure unit, and authorised to provide of hospital services to patients. A private hospital is not defined by whether it is privately owned but by whether it is *not* a public hospital (see **public hospital**). Private hospital expenditure includes expenditures incurred by a private hospital in providing contracted and/or ad hoc treatments for public patients.

private patient: A person admitted to a private hospital, or a person admitted to a public hospital who is treated by a doctor of their own choice and/or who has private ward accommodation. The patient will be charged for medical services, food and accommodation.

public health activities: The core types of activities done or funded by the key jurisdictional health departments that deal with issues related to populations, rather than individuals. These activities comprise:

- communicable disease control
- selected health promotion
- organised immunisation
- environmental health
- food standards and hygiene
- breast cancer, cervical and bowel cancer screening
- prevention of hazardous and harmful drug use
- public health research.

These activities do not include treatment services.

public health services: Services provided and/or funded by governments that are aimed at protecting and promoting the health of the whole population or specified population subgroups, and/or preventing illness or injury in the whole population or specified population subgroups.

Public health services do not include treatment services.

Public health services until 2008–09 also include departmental costs for the following Commonwealth regulators: the Therapeutic Goods Administration, the Office of Gene Technology Regulator, and the National Industrial Chemicals Notification and Assessment Scheme.

public hospital: A health-care provider facility that has been established under state or territory legislation as a hospital or as a freestanding day procedure unit. Public hospitals are operated by, or on behalf of, the government of the state or territory in which they are established, and are authorised under that state's or territory's legislation to provide or support the provision of hospital services to patients. Public hospitals include some denominational hospitals that are privately owned. Defence force hospitals are not included in the scope of public hospitals (see **private hospital**).

public hospital services: The balance of public hospital expenditure remaining, after community health services, public health services, non-admitted dental services, patient transport services, and health research activities done by public hospitals have been removed and reallocated to their own expenditure categories.

public patient: A patient admitted to a public hospital who is treated by doctors of the hospital's choice, and accepts shared ward accommodation if necessary. The patient is not charged.

purchasing power parity: This exchange rate adjusts for differences in the prices of goods and services between countries. It shows how much the same good or service will cost across countries.

real expenditure: Expenditure that has been adjusted to remove the effects of inflation (for example, expenditure for all years has been compiled using 2014–15 prices). Removing the effects of inflation enables comparisons to be made between expenditures in different years on an equal dollar-for-dollar basis. Changes in real expenditure measure the change in the volume of goods and services produced.

rebates of health insurance premiums: Introduced in January 1999, a non-means-tested rebate on private health insurance premiums replaced the Private Health Insurance Incentives Scheme subsidy. From 1 July 2012, the private health insurance rebate became income tested. From 1 April 2014, all rebate percentages are adjusted annually by a rebate adjustment factor – the rebate was reduced from 10.0–40.0% to 9.68–38.72% on 1 April 2014, and to 9.27–37.09% on 1 April 2015 (see **Australian Government health funding**).

There are 2 mechanisms for rebates of health insurance premiums:

- The first rebate is where the rebate is taken as a reduced premium payable by the individual with private health cover (with the health fund claiming payment from the Australian Government).
- The second rebate is taken as an income tax rebate, where individuals with private health cover elect to claim the rebate through the tax system at the end of the financial year for the rebate, having paid the health funds 100% of their premiums up front.

recurrent expenditure: Expenditure for which organisations are liable on a recurring basis, for the provision of health goods and services, which does not result in creating or acquiring fixed assets (new or second-hand). It consists mainly of expenditure on wages, salaries and supplements, purchases of goods and services, and consumption of fixed capital. This excludes capital expenditure. For all years, recurrent expenditure includes capital consumption (depreciation).

referred medical services: Non-hospital medical services that are not classified as primary health care.

Repatriation Pharmaceutical Benefits Scheme: Provides assistance to eligible veterans (with recognised war- or service-related disabilities) and their dependants for pharmaceuticals listed on the Pharmaceutical Benefits Scheme and a supplementary repatriation list, at the same cost as patients entitled to the concessional payment under the Pharmaceutical Benefits Scheme (see **Pharmaceutical Benefits Scheme**).

specific purpose payments: Australian Government payments to the states and territories under the provisions of section 96 of the Constitution, used for purposes specified in agreements between the Australian Government and individual state and territory governments. Some are conditional on states and territories incurring a specified level or proportion of expenditure from their own resources. The specific purpose payment associated with the National Healthcare Agreement, implemented from 1 July 2009, provides payments to state and territory governments that are to be spent only within the sector described – for example, within the health sector. In addition, there are national partnership payments under national partnership agreements that are aimed at specific areas of health expenditure.

state and territory dental services: School dental programs, community dental services and hospital dental programs that state and territory health authorities fund.

therapeutic: Relates to the treating or curing of a disease.

total health expenditure: Includes **recurrent expenditure** and **capital expenditure**.

total health price index: The ratio of total national health expenditure at current prices, to total national health expenditure at constant prices.

References

- ABS (Australian Bureau of Statistics) 2000. Australian national accounts: concepts, sources and methods, 2000. ABS cat. no. 5216.0. Canberra: ABS.
- ABS 2005. Australian system of government finance statistics: concepts, sources and methods, 2005. ABS cat. no. 5514.0. Canberra: ABS.
- ABS 2010a. Research and experimental development, all sector summary, Australia, 2008–09. ABS cat. no. 8112.0. Canberra: ABS.
- ABS 2010b. Australian system of government finance statistics: concepts, sources and methods, 2005. ABS cat. no. 5514.0.55.001. Canberra: ABS.
- ABS 2015. Australian national accounts: concepts, sources and methods, 2014. ABS cat. no. 5216.0. Canberra: ABS.
- ABS 2016a. Australian demographic statistics, December 2015. ABS cat. no. 3101.0. Canberra: ABS.
- ABS 2016b. Australian national accounts: national income, expenditure and product, March 2016. ABS cat. no. 5206.0. Canberra: ABS.
- ABS 2016c. Private hospitals, Australia, 2014–15. ABS cat. no. 4390.0. Canberra: ABS.
- ABS 2016d. Research and experimental development, higher education organisations, Australia, 2014. ABS cat. no. 8111.0. Canberra: ABS.
- ABS 2016e. Research and experimental development, government and private non-profit organisations, Australia, 2014–15. ABS cat. no. 8109.0. Canberra: ABS.
- ABS 2016f. Taxation revenue, Australia, 2014–15. ABS cat. no. 5506.0. Canberra: ABS.
- AIHW (Australian Institute of Health and Welfare) 2009. Health expenditure Australia 2007–08. Health and welfare expenditure series no. 37. Cat. no. HWE 46. Canberra: AIHW.
- APRA (Australian Prudential Regulation Authority) 2016. Operations of private health insurers annual report 2014–2015. Sydney: APRA.
- ATO (Australian Taxation Office) 2013. 2012–13 Commissioner of Taxation annual report. Canberra: ATO.
- ATO 2014. 2013–14 Commissioner of Taxation annual report. Canberra: ATO.
- ATO 2015. 2014–15 Commissioner of Taxation annual report. Canberra: ATO.
- DoH (Department of Health) 2014. Annual report 2013–14. Canberra: DoH.
- DoH 2015. Annual report 2014–15. Canberra: DoH.
- DoHA (Department of Health and Ageing) 2013. Annual report 2012–13. Canberra: DoHA.
- Flanagan B (ed.) 2004a. Retail pharmacy: keeping you ahead of the rest. Volume 13(6). Sydney: Agency Printing.
- Flanagan B (ed.) 2004b. Retail world: food and grocery for the new millennium. Volume 57(24). Sydney: Agency Printing.
- Flanagan B (ed.) 2005a. Retail pharmacy: keeping you ahead of the rest. Volume 14(6). Sydney: Agency Printing.

Flanagan B (ed.) 2005b. Retail world: food and grocery for the new millennium. Volume 58(24). Sydney: Agency Printing.

Flanagan B (ed.) 2006. Retail world: food and grocery for the new millennium. Volume 59(24). Sydney: Pegasus Print Group.

Flanagan B (ed.) 2007. Retail world: food and grocery for the new millennium. Volume 60(24). Sydney: Fast Proof Press.

Flanagan B (ed.) 2008. Retail world: food and grocery for the new millennium. Volume 61(24). Sydney: Fast Proof Press.

Gloria L (ed.) 2009. Retail world annual report 2009. Volume 62(24). Sydney: GEON Group.

Gloria L (ed.) 2010. Retail world annual report 2010. Volume 63(23). Sydney: GEON Group.

Gloria L (ed.) 2011. Retail world annual report 2011. Volume 64(23). Sydney: GEON Group.

Gloria L (ed.) 2012. Retail world annual report 2012. Volume 65(23). Sydney: GEON Group.

Gloria L (ed.) 2013. Retail world annual report 2013. Volume 66(20). Sydney: GEON Group.

Gloria L (ed.) 2014. Retail world annual report 2014. Volume 67(17). Sydney: GEON Group.

Gloria L (ed.) 2015. Retail world annual report 2015. Volume 68(13). Sydney: GEON Group.

OECD 2016. OECD health statistics 2016. Paris: OECD.

OECD, Eurostat & WHO 2011. A system of health accounts 2011 edition. Paris: OECD.

PHIAC (Private Health Insurance Administration Council) 2013. Operations of private health insurers annual report 2012–2013. Canberra: PHIAC.

PHIAC 2014. Operations of the private health insurers annual report 2013–14. Canberra: PHIAC.

SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) 2003. Report on government services 2003. Canberra: AusInfo.

SCRGSP (Steering Committee for the Review of Government Service Provision) 2007. Report on government services 2007. Canberra: Productivity Commission.

SCRGSP 2009. Report on government services 2009. Canberra: Productivity Commission.

List of tables

Table 2.1:	Total health expenditure, current and constant prices, and annual rates of change, 2004–05 to 2014–15.....	6
Table 2.2:	Total health expenditure and GDP, current prices, and annual health to GDP ratios, 2004–05 to 2014–15.....	7
Table 2.3:	Total health expenditure and GDP, constant prices, and annual growth rates, 2004–05 to 2014–15.....	8
Table 2.4:	Annual rates of health inflation, 2004–05 to 2014–15 (%).....	11
Table 2.5:	Components of the annual change in the health expenditure to GDP ratio, 2004–05 to 2014–15 (%).....	13
Table 2.6:	Average health expenditure per person, current and constant prices, and annual growth rates, 2004–05 to 2014–15.....	19
Table 2.7:	Total and recurrent health expenditure, current prices, and recurrent expenditure as a proportion of total health expenditure, 2004–05 to 2014–15.....	21
Table 2.8:	Total and recurrent health expenditure, constant prices and annual growth rates, 2004–05 to 2014–15.....	22
Table 2.9:	Recurrent health expenditure, current prices, for each state and territory, all sources of funds, 2004–05 to 2014–15 (\$ million).....	23
Table 2.10:	Recurrent health expenditure, constant prices, for each state and territory, all sources of funds, and average annual growth rates, 2004–05 to 2014–15 (\$ million).....	24
Table 2.11:	Average recurrent health expenditure per person, current prices, for each state and territory, all sources of funds, 2004–05 to 2014–15 (\$).....	26
Table 2.12:	Average recurrent health expenditure per person, constant prices, for each state and territory, all sources of funds, 2004–05 to 2014–15 (\$).....	27
Table 2.13:	Annual growth in recurrent health expenditure per person, constant prices, for each state and territory, all sources of funds, 2004–05 to 2014–15 (%).....	28
Table 2.14:	Health expenditure to GDP ratio, OECD countries, 2004–2014 (%).....	32
Table 2.15:	Health expenditure per person, constant prices, OECD countries, 2004–2014 (\$A).....	34
Table 3.1:	Total health expenditure, by source of funds, current prices, 2004–05 to 2014–15 (\$ million).....	37
Table 3.2:	Proportion of total health expenditure, by source of funds, 2004–05 to 2014–15 (%).....	37
Table 3.3:	Total health expenditure, constant prices, and annual growth in funding, by source of funds, 2004–05 to 2014–15.....	40
Table 3.4:	Capital expenditure, by owner of asset, constant prices, and annual growth rates, 2004–05 to 2014–15.....	42
Table 3.5:	Australian Government health expenditure, constant prices, by type of expenditure, 2004–05 to 2014–15 (\$ million).....	44
Table 3.6:	Department of Veterans’ Affairs health expenditure, by area of expenditure, 2014–15.....	45
Table 3.7:	State and territory government recurrent health expenditure, constant prices, and annual growth rates, by selected areas of expenditure, 2004–05 to 2014–15.....	46

Table 3.8:	Non-government health expenditure, by source of funds, current prices, 2004–05 to 2014–15.....	48
Table 3.9:	Non-government health expenditure, by source of funds, constant prices, and annual growth rates, 2004–05 to 2014–15	49
Table 3.10:	Health expenditure by individuals, by area of expenditure, current prices, 2014–15	51
Table 3.11:	Average individual recurrent health expenditure per person, constant prices, and annual growth rates, by selected areas of expenditure, 2004–05 to 2014–15	52
Table 3.12:	Health expenditure by private health insurance funds, by area of expenditure, current prices, 2014–15.....	53
Table 3.13:	Expenditure on health goods and services by private health insurance funds, constant prices, 2012–13 to 2014–15 (\$ million)	55
Table 3.14:	Expenditure on health goods and services and administration by private health insurance funds, constant prices, and annual growth rates, 2004–05 to 2014–15	56
Table 3.15:	Average health expenditure by private health insurance, per person covered, constant prices, by state and territory, 2004–05 to 2014–15 (\$).....	58
Table 3.16:	Expenditure by injury compensation insurers, constant prices, and annual growth rates, 2004–05 to 2014–15.....	59
Table A1:	Total health expenditure, current prices, by area of expenditure and source of funds, 2012–13 (\$ million).....	61
Table A2:	Total health expenditure, current prices, by area of expenditure and source of funds, 2013–14 (\$ million).....	62
Table A3:	Total health expenditure, current prices, by area of expenditure and source of funds, 2014–15 (\$ million).....	63
Table A4:	Total health expenditure, constant prices, by area of expenditure and source of funds, 2012–13 (\$ million).....	64
Table A5:	Total health expenditure, constant prices, by area of expenditure and source of funds, 2013–14 (\$ million).....	65
Table A6:	Total health expenditure, constant prices, by area of expenditure and source of funds, 2014–15 (\$ million).....	66
Table A7:	Annual growth in health expenditure, current prices, by area of expenditure, 2004–05 to 2014–15 (%).....	67
Table A8:	Annual growth in health expenditure, constant prices, by area of expenditure, 2004–05 to 2014–15 (%).....	68
Table A9:	Proportions of recurrent health expenditure, current prices, by area of expenditure, 2004–05 to 2014–15 (%).....	69
Table A10:	Recurrent funding of public hospitals, constant prices, by source of funds and annual growth rates, 2004–05 to 2014–15 (%)	70
Table B1:	Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2012–13 (\$ million).....	72
Table B2:	Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2013–14 (\$ million).....	73
Table B3:	Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds, 2014–15 (\$ million).....	74

Table B4:	Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2012–13 (\$ million)	75
Table B5:	Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2013–14 (\$ million)	76
Table B6:	Total health expenditure, current prices, Victoria, by area of expenditure and source of funds, 2014–15 (\$ million)	77
Table B7:	Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2012–13 (\$ million)	78
Table B8:	Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2013–14 (\$ million)	79
Table B9:	Total health expenditure, current prices, Queensland, by area of expenditure and source of funds, 2014–15 (\$ million)	80
Table B10:	Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2012–13 (\$ million)	81
Table B11:	Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2013–14 (\$ million)	82
Table B12:	Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds, 2014–15 (\$ million)	83
Table B13:	Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2012–13 (\$ million)	84
Table B14:	Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2013–14 (\$ million)	85
Table B15:	Total health expenditure, current prices, South Australia, by area of expenditure and source of funds, 2014–15 (\$ million)	86
Table B16:	Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2012–13 (\$ million)	87
Table B17:	Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2013–14 (\$ million)	88
Table B18:	Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds, 2014–15 (\$ million)	89
Table B19:	Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2012–13 (\$ million)	90
Table B20:	Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2013–14 (\$ million)	91
Table B21:	Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 2014–15 (\$ million)	92
Table B22:	Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2012–13 (\$ million)	93
Table B23:	Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2013–14 (\$ million)	94
Table B24:	Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 2014–15 (\$ million)	95
Table C1:	Area of health expenditure, by type of deflator applied	101

Table C2:	Total health price index and industry-wide indexes, 2004–05 to 2014–15 (reference year 2014–15 = 100)	103
Table C3:	Growth rates for the total health price index and industry-wide indexes, 2004–05 to 2014–15 (%).....	104
Table C4:	Estimated resident population, by state and territory, 2004–05 to 2014–15 ('000).....	105
Table C5:	Annual population growth, by state and territory, 2004–05 to 2014–15 (%)	106
Table C6:	Number of insured persons with hospital treatment coverage, 2004–05 to 2014–15	107

List of figures

Figure 1.1:	The structure of the Australian health-care system, and its flow of funds.....	3
Figure 2.1:	Annual growth rates of health expenditure and GDP, constant prices, 2004–05 to 2014–15.....	9
Figure 2.2:	Change in annual rates of GDP and GNE excess health inflation, 2004–05 to 2014–15.....	12
Figure 2.3:	Tax revenue and health expenditure across all governments, current prices, 2004–05 to 2014–15.....	14
Figure 2.4:	The ratio of health expenditure to tax revenue across all governments, current prices, 2004–05 to 2014–15.....	14
Figure 2.5:	Health expenditure and tax revenue for the Australian Government, current prices, 2004–05 to 2014–15.....	15
Figure 2.6:	The ratio of health expenditure to tax revenue for the Australian Government, current prices, 2004–05 to 2014–15.....	16
Figure 2.7:	Health expenditure and tax revenue for state and territory and local governments, current prices, 2004–05 to 2014–15.....	17
Figure 2.8:	The ratio of health expenditure to tax revenue for state and territory and local governments, current prices, 2004–05 to 2014–15.....	17
Figure 2.9:	The ratio of health expenditure to tax revenue, by state and territory governments, current prices, 2004–05 to 2014–15.....	18
Figure 2.10:	Average health expenditure per person, constant prices, 2004–05 to 2014–15.....	20
Figure 2.11:	Average recurrent health expenditure per person, for each state and territory and Australia, current prices, 2014–15.....	25
Figure 2.12:	Health expenditure as a proportion of GDP, OECD countries, 2014.....	30
Figure 2.13:	Total health expenditure as a proportion of GDP, compared with the OECD median and 10th and 90th percentiles, 2004–2014.....	31
Figure 2.14:	Total health expenditure per person, constant prices, compared with the OECD median and 10th and 90th percentiles, 2004–2014 (\$A).....	33
Figure 3.1:	Total health expenditure, by source of funds as a proportion of total health expenditure, 2004–05 to 2014–15.....	38
Figure 3.2:	Recurrent health expenditure, by area of expenditure and source of funds, current prices, 2014–15.....	39
Figure 3.3:	Share of recurrent health expenditure on public hospitals, by source of funds, 2004–05 to 2014–15.....	41
Figure 3.4:	Capital expenditure, by source of funds, constant prices, 2004–05 to 2014–15.....	43
Figure 3.5:	Non-government health expenditure, by source of funds, constant prices, 2004–05 to 2014–15.....	50
Figure 3.6:	Recurrent health expenditure by private health insurance funds, constant prices, 2004–05 to 2014–15.....	57

List of boxes

- Box 1.1: Expenditure at current and constant prices2
- Box 2.1: Inflation10
- Box 2.2: Australian health expenditure using the OECD System of Health Accounts
framework.....29
- Box 3.1: Medical expenses tax rebate44
- Box 3.2: Treatment of private health insurance premium rebates54

Related publications

This report, *Health expenditure Australia 2014–15*, is part of an annual series. The earlier editions and any published subsequently can be downloaded free from www.aihw.gov.au/expenditure-publications/. The website also includes information on ordering printed copies.

The following AIHW publications about health expenditure might also be of interest:

- 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 2015. Health expenditure Australia 2013–14. Health and welfare expenditure series no. 54. Cat. no. HWE 63. 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 2013. Expenditure on health for Aboriginal and Torres Strait Islander people 2010–11. Health and welfare expenditure series no. 48. Cat. no. HWE 57. Canberra: AIHW.
- AIHW 2013. Expenditure on health for Aboriginal and Torres Strait Islander people 2010–11: an analysis by remoteness and disease. Health and welfare expenditure series no. 49. Cat. no. HWE 58. Canberra: AIHW.

Spending on health in Australia (recurrent and capital expenditure combined) was \$161.6 billion in 2014–15, \$4.4 billion (2.8%) higher in real terms than in 2013–14. This was the third consecutive year that growth in health expenditure was below the 10-year average (4.6% between 2004–05 and 2014–15).

Growth in health expenditure per person was also relatively low, at less than a half of the average annual growth over the decade (1.4% compared with 2.9%).

Despite the low growth, the share of the economy (GDP) represented by health reached 10.0% for the first time.