

Health expenditure Australia 2000–01

The Australian Institute of Health and Welfare is Australia's national health and welfare statistics and information agency. The Institute's mission is to improve the health and well-being of Australians by informing community discussion and decision making through national leadership in developing and providing health and welfare statistics and information.

HEALTH AND WELFARE EXPENDITURE SERIES

Number 14

Health expenditure Australia 2000–01

September 2002

Australian Institute of Health and Welfare
Canberra

AIHW cat. no. HWE 20

© Australian Institute of Health and Welfare 2002

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced without prior written permission from the Australian Institute of Health and Welfare. Requests and enquiries concerning reproduction and rights should be directed to the Head, Media and Publishing, Australian Institute of Health and Welfare, GPO Box 570, Canberra ACT 2601.

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 Media and Publishing Unit, Australian Institute of Health and Welfare, GPO Box 570, Canberra ACT 2601, or via the Institute's web site (<http://www.aihw.gov.au>).

ISSN 1323-5850

ISBN 1 74024 201 7

Suggested citation

Australian Institute of Health and Welfare (AIHW) 2002. Health expenditure Australia 2000–01. Health and Welfare Expenditure Series no. 14. Cat. no. HWE 20. Canberra: AIHW.

Australian Institute of Health and Welfare

Board Chair
Dr Sandra Hacker

Director
Dr Richard Madden

Any enquiries about or comments on this publication should be directed to:

Lindy Ingham
Australian Institute of Health and Welfare
GPO Box 570
Canberra ACT 2601
Phone: (02) 6244 1143
E-mail: expenditure@aihw.gov.au

Published by Australian Institute of Health and Welfare

Printed by Panther Printnet

Contents

List of tables	vi
List of figures	viii
Preface.....	ix
Abbreviations and symbols used in tables.....	x
1 Background and summary	1
1.1 Background.....	1
1.2 The structure of the health sector and its flow of funds	2
1.3 Summary of findings.....	5
1.4 Revisions to ABS estimates.....	5
2 Total health expenditure.....	7
2.1 Health expenditure and the general level of economic activity.....	10
2.2 Health expenditure per person	13
2.3 Total health expenditure, by State and Territory.....	13
2.4 Sources of health expenditure growth	15
3 Funding of health expenditure in Australia	18
3.1 Broad trends in funding.....	18
3.2 Government sources of funds	22
3.3 Non-government sources of funds.....	30
4 Health expenditure and its funding by area of expenditure.....	37
4.1 Recurrent expenditure on health goods and services	37
4.2 Capital formation.....	51
4.3 Capital consumption by governments	54
5 International comparison.....	55
6 Technical notes.....	59
6.1 Methods used to produce estimates.....	59
6.2 Definitions, sources and notes.....	61
6.3 Deflators.....	63
6.4 Revisions of definitions and estimates	65
Appendix A: National health expenditure matrices, 1990–91 to 1999–00.....	67
Notes for Appendix A tables	80
Appendix B: State and Territory health expenditure matrices, 1996–97 to 1999–00.....	81
Notes for Appendix B tables.....	115
References.....	116

List of tables

Table 1:	Comparison of published estimates of total health expenditure, current prices, 1990–91 to 1998–99, current estimates and previous estimates	6
Table 2:	Total health expenditure, current and constant prices, and annual growth rates, 1990–91 to 2000–01	8
Table 3:	Total health expenditure and GDP, current prices, and annual growth rates, 1990–91 to 2000–01	10
Table 4:	Total health expenditure and GDP, constant prices, and annual growth rates, 1990–91 to 2000–01	11
Table 5:	Annual rates of health inflation, 1990–91 to 2000–01	12
Table 6:	Average health expenditure per person, current and constant prices, and annual growth rates, 1990–91 to 2000–01	13
Table 8:	Total health expenditure, current prices, by State and Territory, 1996–97 to 2000–01	14
Table 8:	Total health expenditure, constant prices, by State and Territory, 1996–97 to 2000–01	14
Table 10:	Total health expenditure, constant prices, all sources of funding, by State and Territory, annual growth rates, 1996–97 to 2000–01	15
Table 10:	Average health expenditure per person, current prices, by State and Territory, 1996–97 to 2000–01	15
Table 11:	Total health expenditure by broad source of funds, as a proportion of GDP, 1990–91 to 2000–01	17
Table 12:	Total health expenditure, by broad source of funds, current prices, 1990–91 to 2000–01	18
Table 13:	Total health expenditure, current prices, by broad source of funds, as a proportion of total health expenditure, 1990–91 to 2000–01	19
Table 14:	Government funding of recurrent health expenditure by area of expenditure, and annual growth rates, constant prices, 1990–91 to 2000–01.....	20
Table 15:	Non-government funding of recurrent health expenditure, by area of expenditure, and annual growth rates, constant prices, 1990–91 to 2000–01.....	21
Table 16:	Total health expenditure, constant prices, and annual growth rates, by broad source of funds, 1990–91 to 2000–01	23
Table 17:	Total health expenditure by the Commonwealth Government, current prices, by type of expenditure, 1990–91 to 2000–01	25
Table 18:	Commonwealth taxation expenditures, constant prices, 1990–91 to 2000–01	28
Table 19:	Non-government sector funding of total health expenditure, by source of funds, current prices, 1990–91 to 2000–01	31

Table 20:	Expenditure on health goods and services and administration through private health insurance funds, constant prices, and annual growth rates, 1990–91 to 2000–01	33
Table 21:	Expenditure on health administration through private health insurance funds, constant prices, and annual growth rates, 1990–91 to 2000–01	35
Table 22:	Expenditure on health goods and services funded through health insurance funds, current prices, 1998–99 to 2000–01	36
Table 23:	Recurrent funding of hospitals, constant prices, by broad type of hospital, and annual growth rates, 1990–91 to 2000–01	40
Table 24:	Distribution of expenditure on public (non-psychiatric) hospitals, by broad source of funds, 1990–91 to 2000–01	41
Table 25:	Recurrent funding of public (non-psychiatric) hospitals, constant prices, by source of funds, and annual growth rates, 1990–91 to 2000–01	42
Table 26:	Recurrent funding of medical services, constant prices, by source of funds, and annual growth rates, 1990–91 to 1999–00	46
Table 27:	Recurrent expenditure on benefit paid pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1990–91 to 2000–01	48
Table 28:	Recurrent funding of other pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1990–91 to 2000–01	49
Table 29:	Recurrent funding for health research, constant prices, and annual growth rates, by broad source of funds, 1990–91 to 2000–01	51
Table 30:	Outlays on capital, constant prices, by source of funds, 1990–91 to 2000–01	52
Table 31:	Estimated capital consumption by governments, current and constant prices and annual growth rates, 1990–91 to 2000–01	54
Table 32:	Health expenditure as a proportion of GDP, Australia and other selected OECD countries, 1990 to 2000	55
Table 33:	Health expenditure per person, Australia and other selected OECD countries, current prices, 1990 to 2000 (A\$)	57
Table 34:	Components of growth in health expenditure, Australia and other selected OECD countries, 1990 to 2000	58
Table 35:	Total health price index and industry-wide indexes (reference year 1999–00 = 100), 1990–91 to 2000–01	65

List of figures

Figure 1:	The structure of the Australian health care system and its major flow of funds	4
Figure 2:	Total health expenditure and annual growth, constant prices, 1990–91 to 2000–01.....	7
Figure 3:	GDP, by industry, constant prices, 1990–91 to 2000–01	9
Figure 4:	Growth in total recurrent health expenditure, by area of expenditure, constant prices, 1990–91 to 1999–00	16
Figure 5:	Estimated total health expenditure, by source of funds, current prices, 2000–01	22
Figure 6:	Government sector financing of health expenditure, current prices, by source and type of funding, 2000–01	24
Figure 7:	General recurrent outlays on health goods and services by the Commonwealth Government (excluding DVA), by type of funding, current prices, 1999–00	26
Figure 8:	Recurrent funding of health goods and services by State and local governments' own resources, by broad areas of expenditure, current prices, 1999–00	29
Figure 9:	Estimated funding of health goods and services by non-government sources, current prices, 2000–01.....	30
Figure 10:	Recurrent funding of health goods and services through health insurance funds, by area of expenditure, current prices, 2000–01.....	32
Figure 11:	Funding of health goods and services by private health insurance funds, constant prices, 1990–91 to 2000–01	34
Figure 12:	Recurrent expenditure on health goods and services, by broad area of expenditure, 1999–00	38
Figure 13:	Recurrent expenditure on hospital services, constant prices, by broad type of hospital, 1990–91 to 2000–01	39
Figure 14:	Expenditure on public (non-psychiatric) hospitals, by source of funds, constant prices, 1990–91 to 2000–01	43
Figure 15:	Recurrent expenditure on private hospitals, by source of funds, 1999–00	44
Figure 16:	Recurrent expenditure on medical services, by source of funds, 1999–00	45
Figure 17:	Recurrent expenditure on health research, by broad source of funds, 1999–00	50
Figure 18:	Outlays of capital, constant prices, by broad source of funds, 1990–91 to 2000–01	53

Preface

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

Health Expenditure Australia 2000–01 is the new title for the existing series of annual reports on health expenditures by the Australian Institute of Health and Welfare (AIHW). The previous ***Health Expenditure Bulletin*** had been produced annually since 1986 and this new title presents the most recent estimates for Australia for the year 2000–01 plus time series data covering the period from 1990–91 to 1999–00. Estimates of health expenditure split by State and Territory are provided for each year from 1996–97.

Estimates for 1999–00 and earlier years have been substantially revised. The revisions reflect changes in the underlying ABS data series, and are inevitable in a publication of this nature. In current dollars, total health expenditure in 1999–00 has been revised upwards from \$53.7 billion to \$55.7 billion, resulting in the ratio of total health expenditure to gross domestic product in 1999–00 being revised upwards from 8.5% to 8.8%. A full explanation is given in the text.

Richard Madden
Director
Australian Institute of Health and Welfare

Abbreviations and symbols

DVA Department of Veterans' Affairs

GDP Gross Domestic Product

n.a. not available

.. not applicable

nec not elsewhere classified

— nil or rounded down to zero

Background and summary

1.1 Background

This health expenditure report is similar in format to the health expenditure bulletins produced by the Institute since 1986. Its name has changed but it still reports on health expenditure in Australia by area of expenditure and source of funds from 1990–91 to 1999–00. It also provides estimates of recurrent, capital and total expenditure by source of funds for 2000–01. Expenditure is analysed in terms of who provides the funding for health care and the types of services that attract that funding.

The publication also provides individual health expenditure matrices for each of the States and Territories for the years 1996–97 to 1999–00.

The bulk of funding for health expenditure is provided by the Commonwealth and the State and Territory Governments. Therefore, as well as consideration of the whole period from 1990–91 to 2000–01, analyses of trends in expenditure have been linked to the periods covered by the major health care funding agreements between these two levels of government. These are:

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

Australia's health expenditure increased, as a proportion of gross domestic product (GDP), between 1990–91 and 2000–01.

Australia is compared with nine member countries of the Organisation for Economic Co-operation and Development (OECD). In that international context, Australia's health expenditure, in per person terms, was similar to that of France and, as a proportion of GDP, was similar to Canada.

The tables and figures in the publication detail expenditure in terms of current and constant prices. Constant price expenditure adjusts for the effects of inflation using, wherever possible, chain price indexes provided by the Australian Bureau of Statistics (ABS). Where such chain price indexes are not available, implicit price deflators (IPDs) are used. Because the reference year for both the chain price indexes and the IPDs is 1999–00, the constant price estimates indicate what expenditure would have been had 1999–00 prices applied in all years.

Some expenditure estimates for 1990–91 to 1998–99 have been revised since the publication of *Health Expenditure Bulletin No. 17*. These revisions, which are detailed in the 'Technical notes', related primarily to revisions to ABS data (see Section 6.4).

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

The flow of money around the Australian health care system is complex and is determined by the institutional frameworks in place, both government and non-government. Australia is a federation, governed by a national government (the Commonwealth) and eight State and Territory governments. Both levels of government play important roles in the provision and funding of health care. In some jurisdictions, local governments also play important roles. All of these levels of government collectively are called the public sector. What remains is the non-government sector, which in the case of expenditure on health care comprises the private health insurers, individuals and other non-government (principally workers' compensation and compulsory motor vehicle third-party insurers). Figure 1 shows the major flows of funding between the government and non-government sectors and the providers of health goods and services.

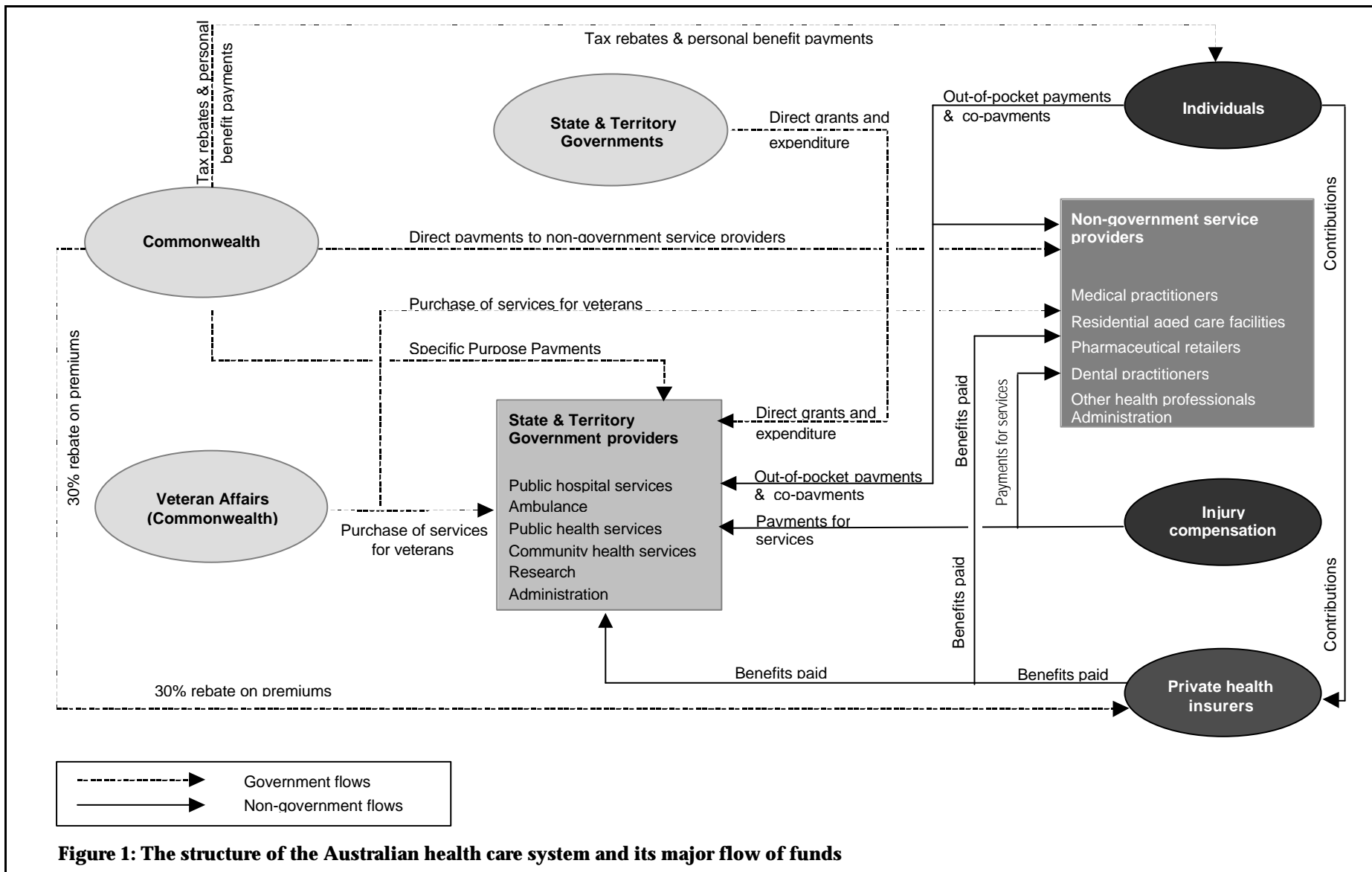
Most non-hospital health care in Australia is delivered by non-government providers. These include private medical and dental practitioners, other health professionals (such as physiotherapists and podiatrists) and pharmaceutical retailers. The delivery of health care can occur in a diverse range of settings. These include hospitals, high-level residential aged care, hospices and rehabilitation centres. Delivery can also occur in community health centres, health clinics, ambulatory care services, the private consulting rooms of health professionals, and patients' homes or workplaces.

Public, occupational and environmental health interventions may be delivered in several ways: through information in the media; regulation; screening and immunisation programs; and infectious disease identification and containment programs.

In summary, the major features of Australia's health system are:

- Universal cover for privately provided medical services under Medicare, which is largely funded by the Commonwealth (with co-payments by users where the services are patient-billed).
- Eligibility for public hospital services, free at the point of service, funded approximately equally by the States/Territories and the Commonwealth.
- Growing private hospital activity, largely funded by private health insurance which is, in turn, subsidised by the Commonwealth through its 30% rebate on contributions to private health insurance.
- The Commonwealth, through its Pharmaceutical Benefits Scheme (PBS), subsidises a wide range of drugs and medicinal preparations outside public hospitals.
- The Commonwealth provides most of the funding for high-level residential aged care and for health research.
- The Commonwealth also funds directly a wide range of services for eligible veterans.

- State and Territory health authorities are primarily responsible for mental health programs, patient transport, community health services; and for public health services (such as health promotion and disease prevention).
- Individuals primarily spend money on pharmaceuticals, dental services, medical services and other professional services.



1.3 Summary of findings

- Total health expenditure was estimated at \$60.8 billion in 2000–01. This is equivalent to \$3,153 per person.
- Health expenditure as a proportion of GDP was estimated at 9.0% in 2000–01, up from 8.8% in 1999–00 (\$55.7 billion).
- Government funded 70% of health expenditure in Australia in 2000–01.
- The Commonwealth Government spent \$2.2 billion on rebates to private health insurance members in 2000–01.
- Real growth in expenditure on health averaged 4.9% between 1992–93 and 2000–01, and has shown little year to year variation.
- Health prices increased, on average, 0.6% faster than the general inflation rate between 1990–91 and 2000–01.

1.4 Revisions to ABS estimates

There have been a number of revisions to health expenditure estimates since *Health Expenditure Bulletin No. 17 (HEB17)*, published in September 2001 (refer to Chapter 6 ‘Technical notes’). In some cases these have been brought about by changes to ABS data that provide an important input into the Institute’s estimates of health expenditure.

GDP estimates for this publication are sourced from the ABS (ABS 2002). The current price GDP estimates in that publication are lower than those which were published in *HEB17*. For instance, the 1999–00 current price estimate of GDP in the March quarter 2002 was revised down by \$3.2 billion, compared with the published number used in *HEB17*. This has raised the health expenditure-to-GDP ratio. The ABS revisions result from the recompilation of the annual supply and use tables which provided new benchmarks for national accounts series (ABS 2001a: 11). Also, chain volume measures have been revised by the ABS, resulting in revisions to the Institute’s constant price estimates. This means that figures reported in this publication for previous years differ from those reported in the same years in *HEB17*.

The ABS estimates of household final consumption expenditure (HFCE) for medicines, aids and appliances, in particular, has increased markedly since the publication of *HEB17*. The ABS advise that the previous HFCE series were based on an extrapolation of the old retail trade survey of 1991–92 using indicators based on subsequent monthly retail trade data between 1991–92 and 1998–99 which considerably understated actual total HFCE. New benchmarks for components of HFCE are now based on the 1998–99 retail industry survey, which has a wider scope and better coverage than the previous ABS survey.

Table 1: Comparison of published estimates of total health expenditure, current prices, 1990–91 to 1998–99, current estimates and previous estimates (\$ million)

Year	Previous estimates ^(a)	Current estimates ^(b)	Difference
1990–91	31,270	31,267	3
1991–92	33,087	33,123	36
1992–93	34,993	35,098	105
1993–94	36,787	36,990	203
1994–95	38,967	39,216	249
1995–96	41,783	42,082	299
1996–97	44,851	45,195	344
1997–98	47,648	48,360	712
1998–99	51,011	51,680	669

(a) As published in *Health Expenditure Bulletin No. 17*, September 2001, p. 4.

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

2 Total health expenditure

Total expenditure on health goods and services, health-related services and capital formation in Australia in 2000–01 was estimated at \$60.8 billion (Table 2). This was an increase of \$5.1 billion over the previous year. Of this, \$56.9 billion related to recurrent health expenditure and \$3.9 billion capital formation in the health sector. These two aspects of health expenditure will be analysed in Chapter 4.

After allowing for inflation, the growth between 1999–00 and 2000–01 in 1999–00 prices was 5.1%, close to the eight-year average growth rate since 1992–93.

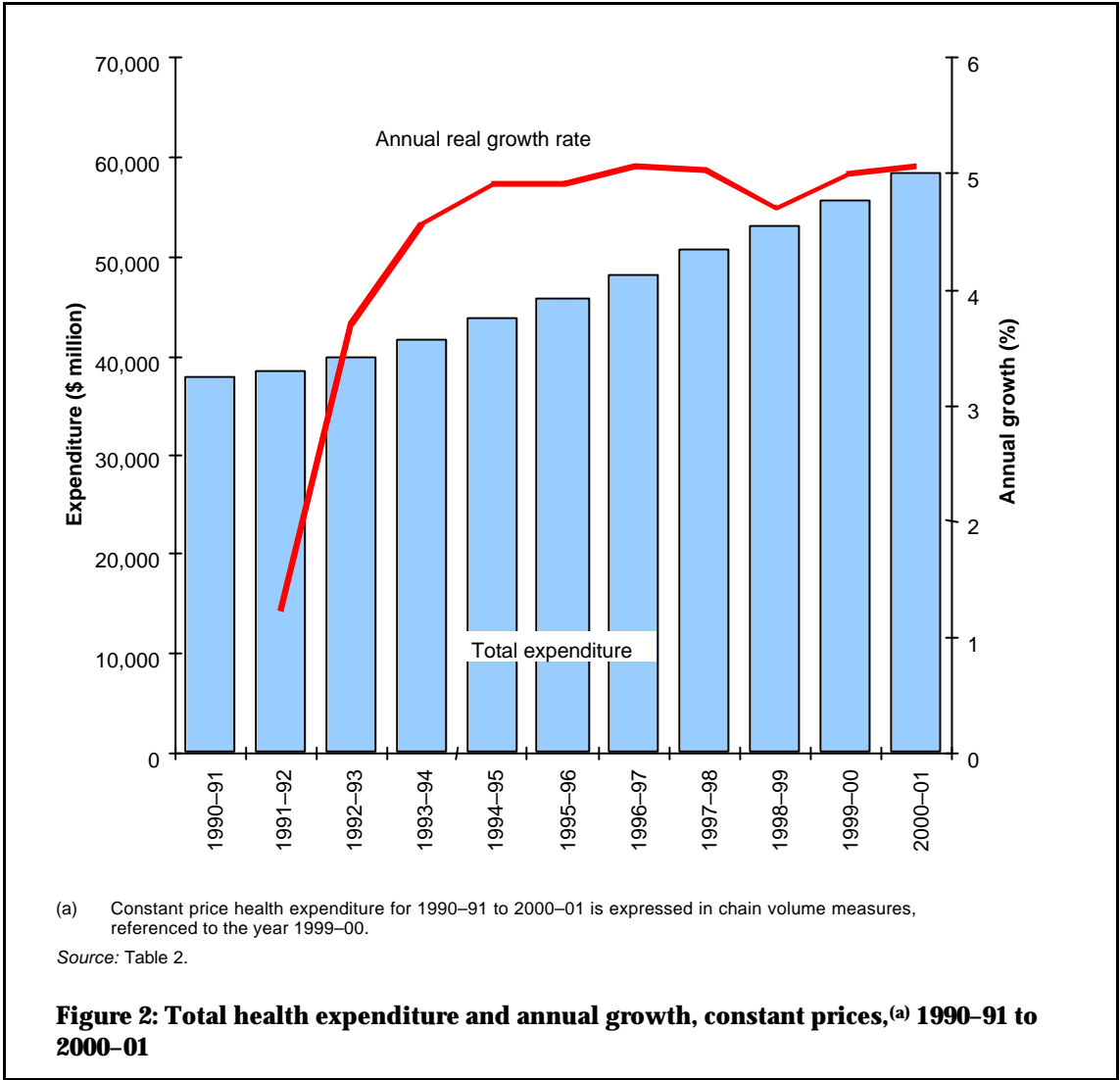


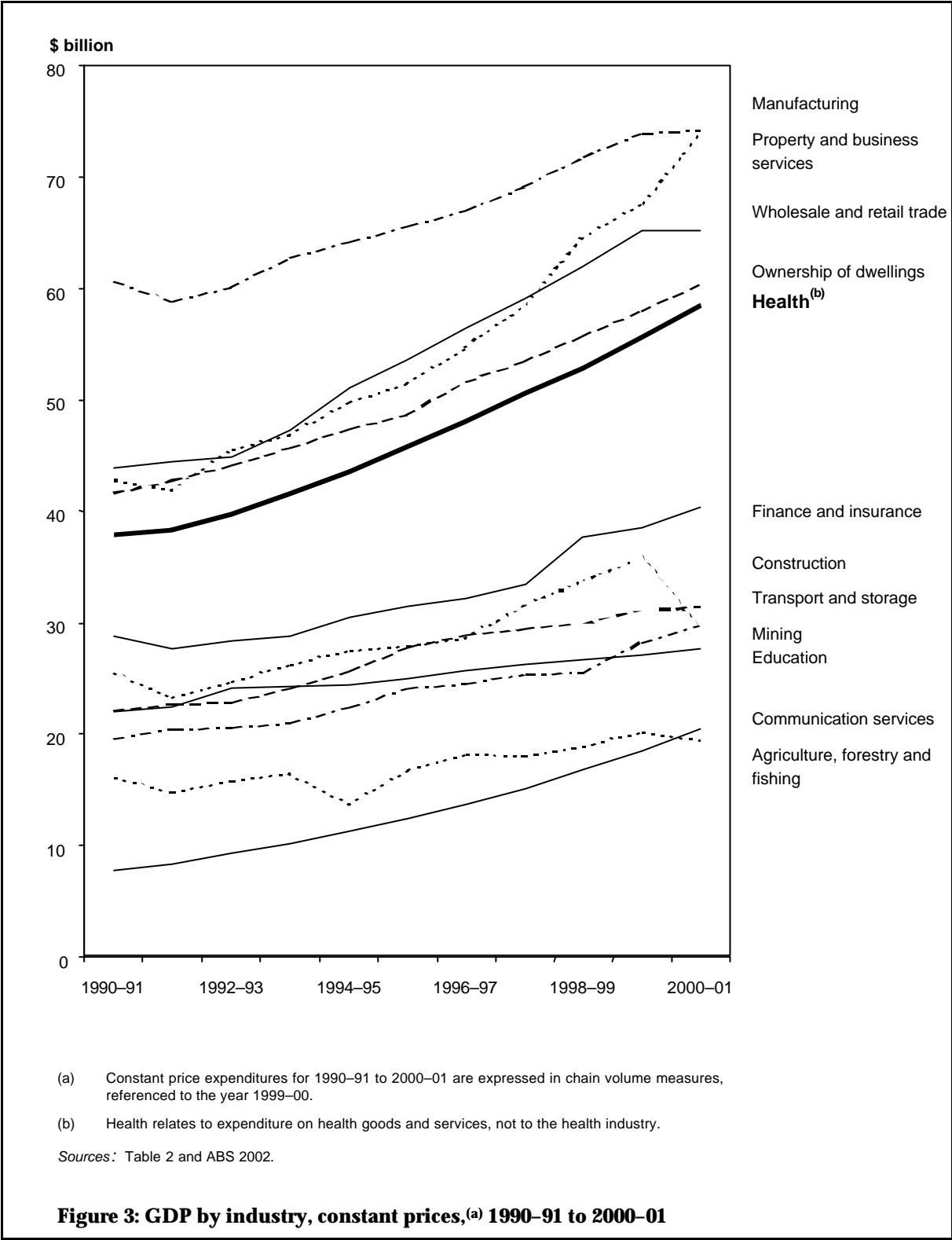
Table 2: Total health expenditure, current and constant prices,^(a) and annual growth rates, 1990–91 to 2000–01

Year	Amount (\$ million)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1990–91	31,267	38,004	..	..
1991–92	33,123	38,469	5.9	1.2
1992–93	35,098	39,893	6.0	3.7
1993–94	36,990	41,714	5.4	4.6
1994–95	39,216	43,758	6.0	4.9
1995–96	42,082	45,905	7.3	4.9
1996–97	45,195	48,224	7.4	5.1
1997–98	48,360	50,642	7.0	5.0
1998–99	51,680	53,026	6.9	4.7
1999–00	55,630	55,630	7.6	4.9
2000–01 ^(b)	60,779	58,490	9.3	5.1
Average annual growth rates				
1990–91 to 1992–93			5.9	2.5
1992–93 to 1997–98			6.6	4.9
1997–98 to 2000–01			7.9	4.9
1990–91 to 2000–01			6.9	4.4

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.



2.1 Health expenditure and the general level of economic activity

Over the past decade the health sector of the economy has grown faster than the economy as a whole (Figure 3).

At the national level, GDP is the main measure used to indicate the overall level of economic activity. It is also a principal measure used to make international comparisons and this is discussed in Chapter 5. The ratio of Australia's health expenditure to GDP provides an indication of the proportion of overall economic activity contributed by the health sector. It is estimated that spending on health accounted for 9.0% of GDP in 2000–01—up from 8.8% in the previous year and from 7.9% at the beginning of the 1990s (Table 3).

The health expenditure-to-GDP ratio can increase during a period because:

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

Table 3: Total health expenditure and GDP, current prices, and annual growth rates, 1990–91 to 2000–01

Year	Total health expenditure		GDP		Ratio of health expenditure to GDP (%)
	Amount (\$ million)	Nominal growth rate (%)	Amount (\$ million)	Nominal growth rate (%)	
1990–91	31,267	..	397,394	..	7.9
1991–92	33,123	5.9	406,103	2.2	8.2
1992–93	35,098	6.0	425,706	4.8	8.2
1993–94	36,990	5.4	446,479	4.9	8.3
1994–95	39,216	6.0	471,348	5.6	8.3
1995–96	42,082	7.3	502,828	6.7	8.4
1996–97	45,195	7.4	529,886	5.4	8.5
1997–98	48,360	7.0	561,229	5.9	8.6
1998–99	51,680	6.9	591,592	5.4	8.7
1999–00	55,630	7.6	629,212	6.4	8.8
2000–01 ^(a)	60,779	9.3	672,223	6.8	9.0
Average annual growth rates					
1990–91 to 1992–93		5.9			3.5
1992–93 to 1997–98		6.6			5.7
1997–98 to 2000–01		7.9			6.2
1990–91 to 2000–01		6.9			5.4

(a) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2002.

The general trend in the health expenditure-to-GDP ratio was a gradual increase over the eleven-year period. The most significant increase in the ratio was in 1991–92,

when it grew by 0.3 percentage points, with the increase being due to a combination of volume and price effects. Real health expenditures grew by 1.2%, compared with a real GDP growth rate of 0.3% (Table 4), while excess health inflation was 2.7% (Table 5).

Preliminary estimates indicate a further significant increase in the health expenditure-to-GDP ratio in 2000–01 due to a large volume effect—with real health expenditure increasing by 5.1% compared with an increase of 2.0% in real GDP (Table 4). A negative (0.8%) excess health inflation figure, the first since 1995–96, slightly offsets this effect (Table 5).

Table 4: Total health expenditure and GDP, constant prices,^(a) and annual growth rates, 1990–91 to 2000–01

Year	Total health expenditure		GDP	
	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)
1990–91	38,004	..	451,561	..
1991–92	38,469	1.2	452,779	0.3
1992–93	39,893	3.7	469,355	3.7
1993–94	41,714	4.6	487,610	3.9
1994–95	43,758	4.9	507,945	4.2
1995–96	45,905	4.9	529,355	4.2
1996–97	48,224	5.1	548,815	3.7
1997–98	50,642	5.0	573,244	4.5
1998–99	53,026	4.7	603,447	5.3
1999–00	55,630	4.9	629,212	4.3
2000–01 ^(b)	58,490	5.1	641,705	2.0
Average annual growth rates				
1990–91 to 1992–93		2.5		2.0
1992–93 to 1997–98		4.9		4.1
1997–98 to 2000–01		4.9		3.8
1990–91 to 2000–01		4.4		3.6

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2002.

Table 5: Annual rates of health inflation, 1990–91 to 2000–01 (per cent)

Period	Health inflation	General inflation ^(a)	Excess health inflation
1990–91 to 1991–92	4.7	1.9	2.7
1991–92 to 1992–93	2.2	1.1	1.0
1992–93 to 1993–94	0.8	1.0	-0.2
1993–94 to 1994–95	1.1	1.3	-0.3
1994–95 to 1995–96	2.3	2.4	-0.1
1995–96 to 1996–97	2.2	1.6	0.6
1996–97 to 1997–98	1.9	1.4	0.5
1997–98 to 1998–99	2.1	0.1	1.9
1998–99 to 1999–00	2.6	2.0	0.6
1999–00 to 2000–01	3.9	4.8	-0.8
Average annual rates of inflation			
1990–91 to 1992–93	3.4	1.5	1.9
1992–93 to 1997–98	1.7	1.5	0.1
1997–98 to 2000–01	2.9	2.3	0.6
1990–91 to 2000–01	2.4	1.8	0.6

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

Sources: AIHW health expenditure database and ABS 2002.

Health inflation

The relationship between movements in health prices and the general level of inflation in the economy as a whole has a strong influence on the ratio of health expenditure to GDP.

The general level of inflation is measured by reference to the implicit price deflator (IPD) for GDP and health inflation is indicated by reference to the total health price index (see Section 6.3 on Deflators and **Error! Reference source not found.**, page **Error! Bookmark not defined.** for discussion of different indexes). Australia's health inflation has tended to move ahead of the general level of inflation.

Between 1990–91 and 2000–01, the average rate of general inflation was 1.8% per annum (Table 5). Health inflation during that period averaged 2.4% per year, giving an excess health inflation rate of 0.6% per year.

2.2 Health expenditure per person

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

During 2000–01, estimated per person health expenditure averaged \$3,153 (Table 6).

Real growth in per person health expenditure between 1990–91 and 2000–01 averaged 3.2% per year, compared with 4.4% for aggregate national health expenditure (Table 2, page 8 and Table 6). The difference between these two growth rates is the result of growth in the overall size of the Australian population.

Table 6: Average health expenditure per person, current and constant prices,^(a) and annual growth rates, 1990–91 to 2000–01

Year	Amount (\$)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1990–91	1,820	2,212	..	..
1991–92	1,904	2,212	4.6	—
1992–93	1,996	2,268	4.8	2.6
1993–94	2,082	2,348	4.3	3.5
1994–95	2,183	2,436	4.9	3.8
1995–96	2,313	2,523	5.9	3.6
1996–97	2,453	2,617	6.1	3.7
1997–98	2,596	2,719	5.8	4.0
1998–99	2,743	2,815	5.7	3.5
1999–00	2,922	2,922	6.5	3.8
2000–01 ^(b)	3,153	3,034	7.9	3.8
Average annual growth rates				
1990–91 to 1992–93			4.7	1.3
1992–93 to 1997–98			5.4	3.7
1997–98 to 2000–01			6.7	3.7
1990–91 to 2000–01			5.6	3.2

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

2.3 Total health expenditure, by State and Territory

As well as being affected by national priorities, health expenditure in Australia is influenced by the different policy initiatives that are pursued by the State and Territory Governments. Consequently, while expenditure is generally distributed according to the spread of the population, there are differences between the States and Territories in the way that health expenditure is distributed within their health

systems. Also, over time, there are changes in average expenditures because of different socioeconomic and demographic movements in the States and Territories.

Table 7: Total health expenditure, current prices, by State and Territory, 1996–97 to 2000–01 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	15,650	11,242	8,225	3,958	3,574	1,308	762	477	45,195
1997–98	16,581	11,967	8,853	4,563	3,769	1,263	835	527	48,360
1998–99	17,642	12,950	9,555	4,806	3,938	1,319	919	549	51,680
1999–00	18,739	13,889	10,486	5,173	4,353	1,386	990	613	55,630
2000–01 ^(a)	20,163	15,461	11,334	5,867	4,690	1,509	1,094	661	60,779

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Disaggregation of total health expenditure on a State/Territory basis has been undertaken since 1996–97. This has enabled some limited comparison of expenditure patterns over time for each of the States and Territories.

It is estimated that, during 2000–01, 58.6% (\$35.6 billion) of total national health expenditure was incurred in the two most populous States, New South Wales (33.2%) and Victoria (25.4%) (Table 7). These two States account for 58.6% of the total Australian population.

During the period covered by the 1997 Australian Health Care Agreements between the Commonwealth and the States and Territories, that is, from 1997–98 to 2000–01, four States recorded real average annual growth rates that were above the national average of 4.9%. These were the Australian Capital Territory (6.3%), Western Australia (6.0%), Victoria (5.9%) and Queensland (5.8%). New South Wales (3.5%), South Australia (4.7%), Tasmania (3.2%) and the Northern Territory (3.6%) had growth rates that were below the national average (Table 9).

Table 8: Total health expenditure, constant prices,^(a) by State and Territory, 1996–97 to 2000–01 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	16,911	11,942	8,682	4,183	3,803	1,385	814	505	48,224
1997–98	17,477	12,517	9,201	4,748	3,932	1,317	876	573	50,642
1998–99	18,106	13,238	9,893	4,898	4,036	1,343	947	565	53,026
1999–00	18,739	13,889	10,486	5,173	4,353	1,386	990	613	55,630
2000–01 ^(b)	19,396	14,870	10,916	5,649	4,515	1,453	1,054	637	58,490

(a) Constant price health expenditure for 1996–97 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 9: Total health expenditure, constant prices,^(a) all sources of funding, by State and Territory, annual growth rates, 1996–97 to 2000–01 (per cent)

Period	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97 to 1997–98	3.3	4.8	6.0	13.5	3.4	-4.9	7.6	13.4	5.0
1997–98 to 1998–99	3.6	5.8	7.5	3.1	2.6	2.0	8.1	-1.5	4.7
1998–99 to 1999–00	3.5	4.9	6.0	5.6	7.9	3.2	4.6	8.6	4.9
1999–00 to 2000–01	3.5	7.1	4.1	9.2	3.7	4.8	6.5	3.9	5.1
Average annual growth rates									
1996–97 to 2000–01	3.5	5.6	5.9	7.8	4.4	1.2	6.7	6.0	4.9
1997–98 to 2000–01	3.5	5.9	5.8	6.0	4.7	3.2	6.3	3.6	4.9

(a) Constant price health expenditure for 1996–97 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

Source: AIHW health expenditure database.

On a per person basis, in 2000–01 New South Wales (\$3,102), Queensland (\$3,151), Western Australia (\$3,092) and South Australia (\$3,127) had average levels of expenditure that were lower than the estimated national average of \$3,153. The Australian Capital Territory, with an average estimated at \$3,499, had the highest per person level of expenditure on health (Table 10).

Table 10: Average health expenditure per person, current prices, by State and Territory, 1996–97 to 2000–01 (\$)

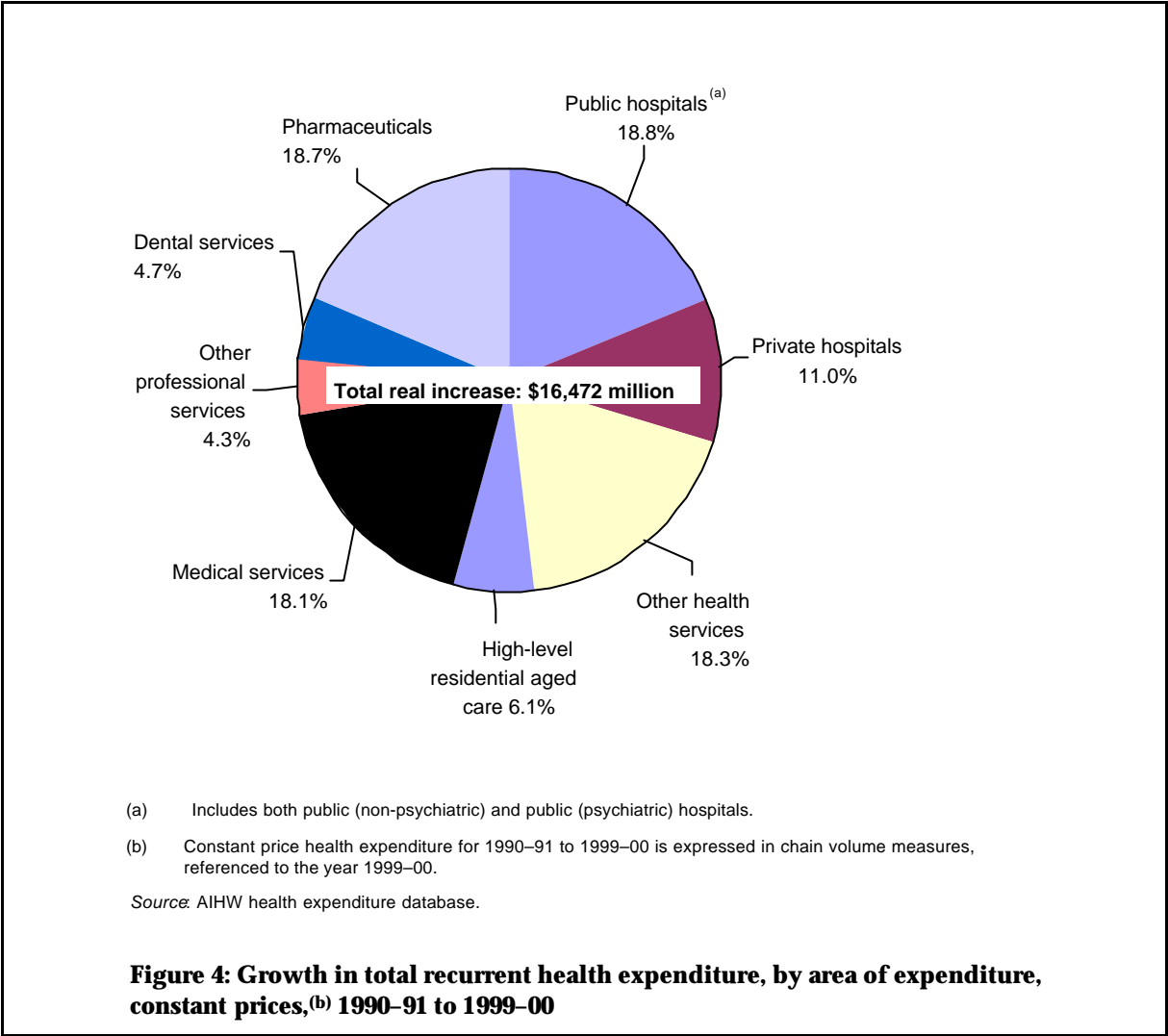
Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	2,507	2,452	2,441	2,220	2,420	2,758	2,469	2,588	2,453
1997–98	2,630	2,585	2,584	2,516	2,542	2,673	2,715	2,799	2,596
1998–99	2,771	2,765	2,746	2,606	2,644	2,798	2,980	2,868	2,743
1999–00	2,914	2,931	2,965	2,764	2,911	2,946	3,193	3,160	2,920
2000–01 ^(a)	3,102	3,221	3,151	3,092	3,127	3,210	3,499	3,363	3,153

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

2.4 Sources of health expenditure growth

Almost one-third of real growth in recurrent health expenditure between 1990–91 and 1999–00 was concentrated in hospitals (Figure 4). Public hospitals, which is the largest area of expenditure, accounted for 18.8% of the growth and private hospitals, 11.0%. The comparison of public and private hospitals over the period is complicated by the fact that, prior to 1991–92, the Department of Veterans' Affairs (DVA) operated its own 'Repatriation General Hospital' (RGH) in each major capital city. Progressively, these RGHs have either been privatised or incorporated into the public hospital systems of the relevant State. Notwithstanding, hospitals, medical services and pharmaceuticals accounted for 66.6% of the growth in expenditure over the decade. Accordingly, their expenditure as a percentage of GDP rose from 5.0% in 1990–91 to 5.6% in 1999–00.



This expenditure growth was largely funded by the Commonwealth Government. Over the decade, the Commonwealth increased its ratio of health expenditure to GDP from 3.3% to 4.2%. For State/Territory and local governments this ratio remained steady at around 2%, while non-government sources increased their share of GDP by 0.1 percentage points, from 2.6% to 2.7% (Table 11).

Table 11: Total health expenditure, by broad source of funds, as a proportion of GDP, 1990–91 to 2000–01 (per cent)

Year	Government			Non-government ^(a)	Total
	Commonwealth ^(a)	State and local	Total		
1990–91	3.3	2.0	5.3	2.6	7.9
1991–92	3.5	2.0	5.5	2.7	8.2
1992–93	3.6	1.9	5.5	2.7	8.2
1993–94	3.7	1.8	5.5	2.8	8.3
1994–95	3.7	1.8	5.5	2.8	8.3
1995–96	3.8	1.8	5.6	2.8	8.4
1996–97	3.7	1.9	5.6	2.9	8.5
1997–98	3.8	2.0	5.8	2.8	8.6
1998–99	4.0	2.0	6.0	2.7	8.7
1999–00	4.2	2.0	6.2	2.6	8.8
2000–01 ^(b)	4.3	2.0	6.3	2.7	9.0

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

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2002.

3 Funding of health expenditure in Australia

3.1 Broad trends in funding

In this section broad comparisons are made between the government and non-government sectors (defined in Section 1.2). Sections 3.2 and 3.3 of this chapter will discuss in more detail the funding arrangements in the government and non-government sectors. Analysis of funding of specific items of health goods and services (including capital formation and capital consumption) is provided in Chapter 4.

In 2000–01, government funding of health expenditure was \$42.5 billion (70.0%), compared with \$18.3 billion (30.0%) for non-government sources. Over the decade to 2000–01, these funding proportions had shifted from 67.7% and 32.3% respectively (Table 12 and Table 13).

Table 12: Total health expenditure, by broad source of funds, current prices, 1990–91 to 2000–01 (\$ million)

Year	Government			Non-government ^(a)	Total
	Commonwealth ^(a)	State and local	Total		
1990–91	13,200	7,958	21,158	10,109	31,267
1991–92	14,167	8,138	22,305	10,818	33,123
1992–93	15,291	8,202	23,494	11,605	35,098
1993–94	16,683	7,868	24,550	12,440	36,990
1994–95	17,551	8,460	26,010	13,205	39,216
1995–96	18,997	9,260	28,257	13,825	42,082
1996–97	19,806	10,271	30,077	15,118	45,195
1997–98	21,443	11,409	32,852	15,508	48,360
1998–99	23,563	11,975	35,538	16,142	51,680
1999–00	26,125	12,960	39,081	16,545	55,630
2000–01 ^(b)	28,845	13,678	42,523	18,257	60,779

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

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 13: Total health expenditure, current prices, by broad source of funds, as a proportion of total health expenditure, 1990–91 to 2000–01 (per cent)

Year	Government			Non-government ^(a)	Total
	Commonwealth ^(a)	State and local	Total		
1990–91	42.2	25.5	67.7	32.3	100.0
1991–92	42.8	24.6	67.3	32.7	100.0
1992–93	43.6	23.4	66.9	33.1	100.0
1993–94	45.1	21.3	66.4	33.6	100.0
1994–95	44.8	21.6	66.3	33.7	100.0
1995–96	45.1	22.0	67.1	32.9	100.0
1996–97	43.8	22.7	66.6	33.4	100.0
1997–98	44.3	23.6	67.9	32.1	100.0
1998–99	45.6	23.2	68.8	31.2	100.0
1999–00	46.9	23.3	70.3	29.7	100.0
2000–01 ^(b)	47.5	22.5	70.0	30.0	100.0

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

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

In real terms, government recurrent funding for health grew by 4.8% over the decade 1990–91 to 2000–01, while non-government funding grew by 3.5% (Table 14 and Table 15). These growth rates are similar to those for total government and non-government funding of health (Table 16). The area of recurrent expenditure that attracted the most rapid growth in government funding over the period was private hospitals, which grew by 30.7%. This was the result of the Commonwealth Government's rebate to holders of private health insurance cover and the increased use of private hospital services by veterans funded by DVA. Non-government funding of private hospitals, on the other hand, increased by just 2.7%. For non-government funding the highest growth rates over the period occurred in pharmaceuticals (5.0%) and other professional services (4.5%). These rates, however, were below those recorded for government funding for the same period, that is 10.8% and 9.0% respectively.

The fastest growth in government funding (5.8%) was between 1997–98 and 2000–01, reflecting the strong growth in government funding of hospitals, high-level residential aged care and pharmaceuticals. Growth in non-government funding, however, was much lower at 2.5% in the same period. The period 1997–98 to 2000–01 recorded stronger growth in non-government funding of 8.0% for high-level residential aged care compared to 4.6% for the government sector, and for public hospitals (6.7% for non-government compared with 2.6% for the government sector). In this period, other professional services grew strongly, 19.6% and 9.0% respectively for the government and non-government sectors, reflecting the impact of the Commonwealth's subsidies to private health insurance.

**Table 14: Government funding of recurrent health expenditure, by area of expenditure, and annual growth rates, constant prices, (a)(b)
1990–91 to 2000–01**

Year	High-level resid. aged care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total government ^(c)	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	2,377	..	1,511	..	5,312	..	169	..	107	..	9,414	..	4,861	..	23,751	..
1991–92	2,327	-2.1	1,526	1.0	5,530	4.1	176	4.3	126	17.9	9,484	0.7	4,921	1.2	24,090	1.4
1992–93	2,348	0.9	1,812	18.7	5,930	7.2	183	3.8	143	13.2	9,530	0.5	4,887	-0.7	24,832	3.1
1993–94	2,293	-2.3	2,122	17.1	6,405	8.0	186	2.1	190	33.2	9,649	1.3	4,931	0.9	25,776	3.8
1994–95	2,348	2.4	2,326	9.6	6,782	5.9	190	2.2	262	37.9	10,265	6.4	5,009	1.6	27,183	5.5
1995–96	2,494	6.2	2,752	18.3	7,108	4.8	212	11.4	311	18.7	11,046	7.6	5,179	3.4	29,104	7.1
1996–97	2,703	8.3	2,792	1.4	7,199	1.3	225	5.9	378	21.5	11,670	5.6	5,244	1.2	30,210	3.8
1997–98	2,920	1.1	2,821	1.0	7,421	3.1	233	3.9	578	52.9	12,565	7.7	5,583	6.5	32,122	6.3
1998–99	2,952	2.7	3,098	9.8	7,601	2.4	239	2.6	932	61.2	13,202	5.1	5,510	-1.3	33,536	4.4
1999–00	3,162	7.1	3,535	14.1	8,006	5.3	368	53.8	1,305	40.1	13,260	0.4	6,643	20.6	36,279	8.2
2000–01 ^(d)	3,340	5.6	4,199	18.8	7,981	-0.3	399	8.5	1,552	19.0	13,573	2.4	6,971	4.9	38,023	4.8
Average annual growth rates																
1990–91 to 1992–93	-0.6		9.5		5.7		4.0		15.5		0.6		0.3		2.2	
1992–93 to 1997–98	4.5		9.3		4.6		5.0		32.3		5.7		2.7		5.3	
1997–98 to 2000–01	4.6		14.2		2.5		19.6		39.0		2.6		7.7		5.8	
1990–91 to 2000–01	3.5		10.8		4.2		9.0		30.7		3.7		3.7		4.8	

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Not adjusted for tax expenditures.

(c) Does not include estimated expenditure on capital (see **Error! Reference source not found.**, page **Error! Bookmark not defined.**) and capital consumption (see **Error! Reference source not found.**, page **Error! Bookmark not defined.**).

(d) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 15: Non-government funding of recurrent health expenditure, by area of expenditure, and annual growth rates, constant prices, ^{(a)(b)} 1990–91 to 2000–01

Year	High-level resid. aged care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total government ^(c)	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	685	..	1,859	..	1,338	..	1,276	..	2,283	..	1,062	..	3,366	..	11,869	..
1991–92	699	2.0	2,061	10.8	1,322	-1.1	1,210	-5.1	2,449	7.3	990	-6.7	3,438	2.1	12,170	2.5
1992–93	647	-7.4	2,071	0.5	1,332	0.7	1,223	1.0	2,573	5.1	960	-3.0	3,826	11.3	12,631	3.8
1993–94	704	8.9	2,144	3.6	1,331	-0.1	1,243	1.7	2,710	5.3	1,100	14.6	4,051	5.9	13,284	5.2
1994–95	717	1.7	2,407	12.3	1,445	8.6	1,299	4.5	2,949	8.9	1,096	-0.4	4,087	0.9	14,000	5.4
1995–96	744	3.8	2,347	-2.5	1,508	4.3	1,298	0.0	3,151	6.8	1,124	2.6	4,264	4.3	14,436	3.1
1996–97	758	1.8	2,460	4.8	1,594	5.7	1,566	20.6	3,358	6.6	1,126	0.2	4,463	4.7	15,325	6.2
1997–98	786	3.8	2,799	13.8	1,669	4.7	1,533	-2.1	3,268	-2.7	1,049	-6.9	4,419	-1.0	15,522	1.3
1998–99	829	5.5	2,911	4.0	1,716	2.8	1,716	11.9	3,117	-4.6	912	-13.1	4,781	8.2	15,982	3.0
1999–00	907	9.4	2,913	0.1	1,631	-4.9	1,790	4.3	2,899	-7.0	1,200	31.7	4,472	-6.5	15,813	-1.1
2000–01 ^(d)	990	9.1	3,042	4.4	1,773	8.7	1,988	11.0	2,987	3.0	1,275	6.2	4,641	3.8	16,696	5.6
Average annual growth rates																
1990–91 to 1992–93	-2.8		5.5		-0.2		-2.1		6.2		-4.9		6.6		3.2	
1992–93 to 1997–98	4.0		6.2		4.6		4.6		4.9		1.8		2.9		4.2	
1997–98 to 2000–01	8.0		2.8		2.0		9.0		-2.9		6.7		1.7		2.5	
1990–91 to 2000–01	3.7		5.0		2.9		4.5		2.7		1.8		3.3		3.5	

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Not adjusted for tax expenditures.

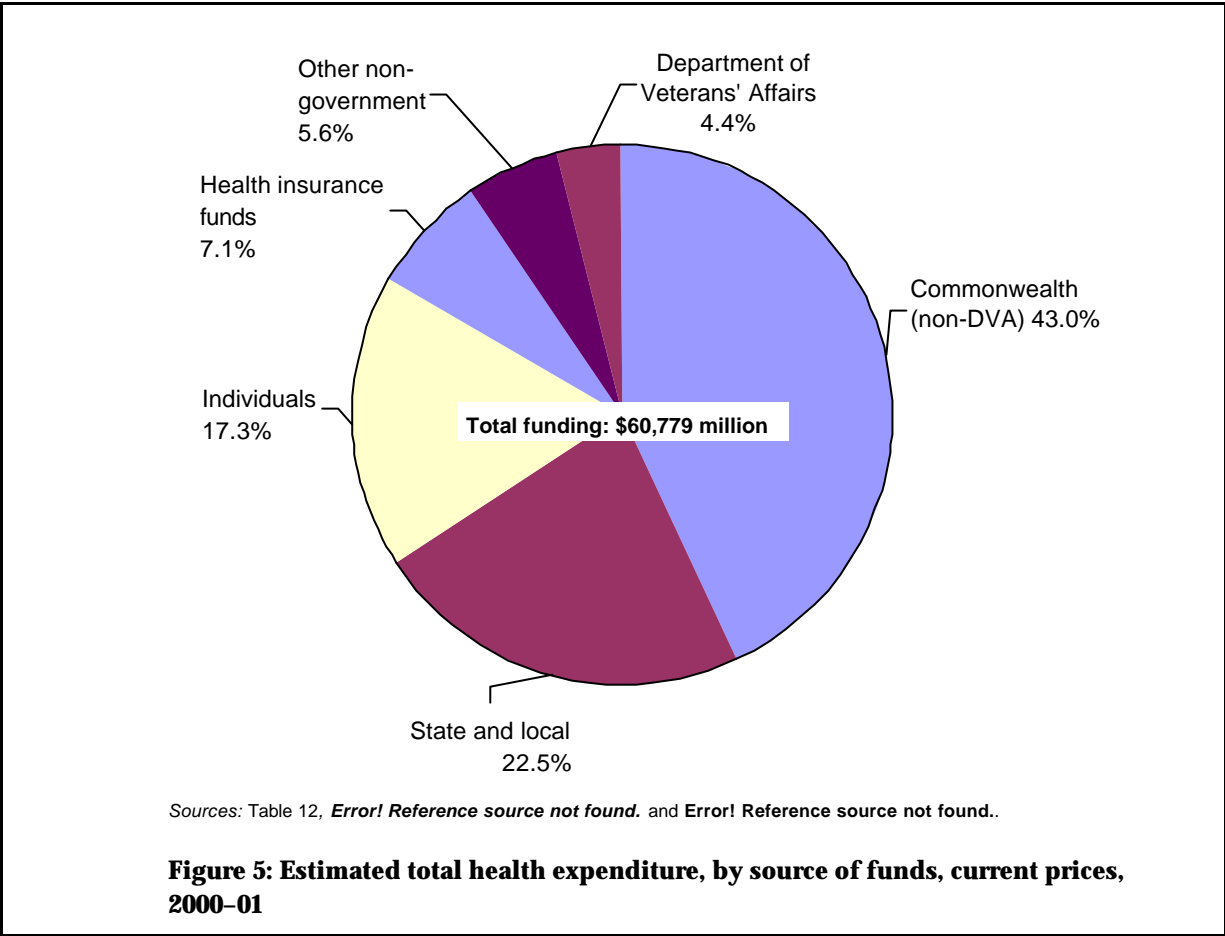
(c) Does not include estimated expenditure on capital (see **Error! Reference source not found.**, page **Error! Bookmark not defined.**).

(d) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

3.2 Government sources of funds

In 2000–01, the Commonwealth Government’s funding of health expenditure was estimated at \$28.8 billion (Table 12). This was 47.5% of total expenditure on health by all sources of funds (Table 13 and Figure 5). State and local government sources provided 22.5% of all funding for health expenditure. The remaining 30.0% was provided by non-government funding sources.



Government policies, both Commonwealth and State, can have marked impacts on the levels and distribution of funding for health. For example, the Commonwealth Government’s subsidisation of private health insurance members introduced in 1997, means that the funding of benefits is now shared by the contributions paid by members and the Commonwealth. It, therefore, effectively moved funding away from non-government sources after 1996–97. It also increased both Commonwealth and non-government expenditure on private health insurance administration by an estimated \$126 million to \$843 million in 2000–01 (**Error! Reference source not found.**, page **Error! Bookmark not defined.**).

Table 16: Total health expenditure, constant prices,^(a) and annual growth rates, by broad source of funds, 1990–91 to 2000–01

Year	Government						Non-government ^(b)		Total	
	Commonwealth ^(b)		State and local		Total		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1990–91	16,011	..	9,631	..	25,642	..	12,362	..	38,004	..
1991–92	16,396	2.4	9,405	-2.4	25,801	0.6	12,669	2.5	38,469	1.2
1992–93	17,322	5.6	9,267	-1.5	26,589	3.1	13,304	5.0	39,893	3.7
1993–94	18,773	8.4	8,812	-4.9	27,585	3.7	14,129	6.2	41,714	4.6
1994–95	19,548	4.1	9,417	6.9	28,966	5.0	14,792	4.7	43,758	4.9
1995–96	20,757	6.2	10,007	6.3	30,764	6.2	15,141	2.4	45,905	4.9
1996–97	21,089	1.6	10,972	9.6	32,061	4.2	16,163	6.8	48,224	5.1
1997–98	22,513	6.8	11,952	8.9	34,465	7.5	16,224	0.4	50,689	5.1
1998–99	24,130	7.2	12,240	2.4	36,370	5.5	16,656	2.7	53,026	4.6
1999–00	26,125	8.3	12,960	5.9	39,081	7.5	16,545	-0.7	55,630	4.9
2000–01 ^(c)	27,794	6.4	13,254	2.3	41,047	5.0	17,442	5.4	58,490	5.1
Average annual growth rates										
1990–91 to 1992–93		4.0		-1.9		1.8		3.7		2.5
1992–93 to 1997–98		5.4		5.2		5.3		4.0		4.9
1997–98 to 2000–01		7.3		3.5		6.0		2.4		4.9
1990–91 to 2000–01		5.7		3.2		4.8		3.5		4.4

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

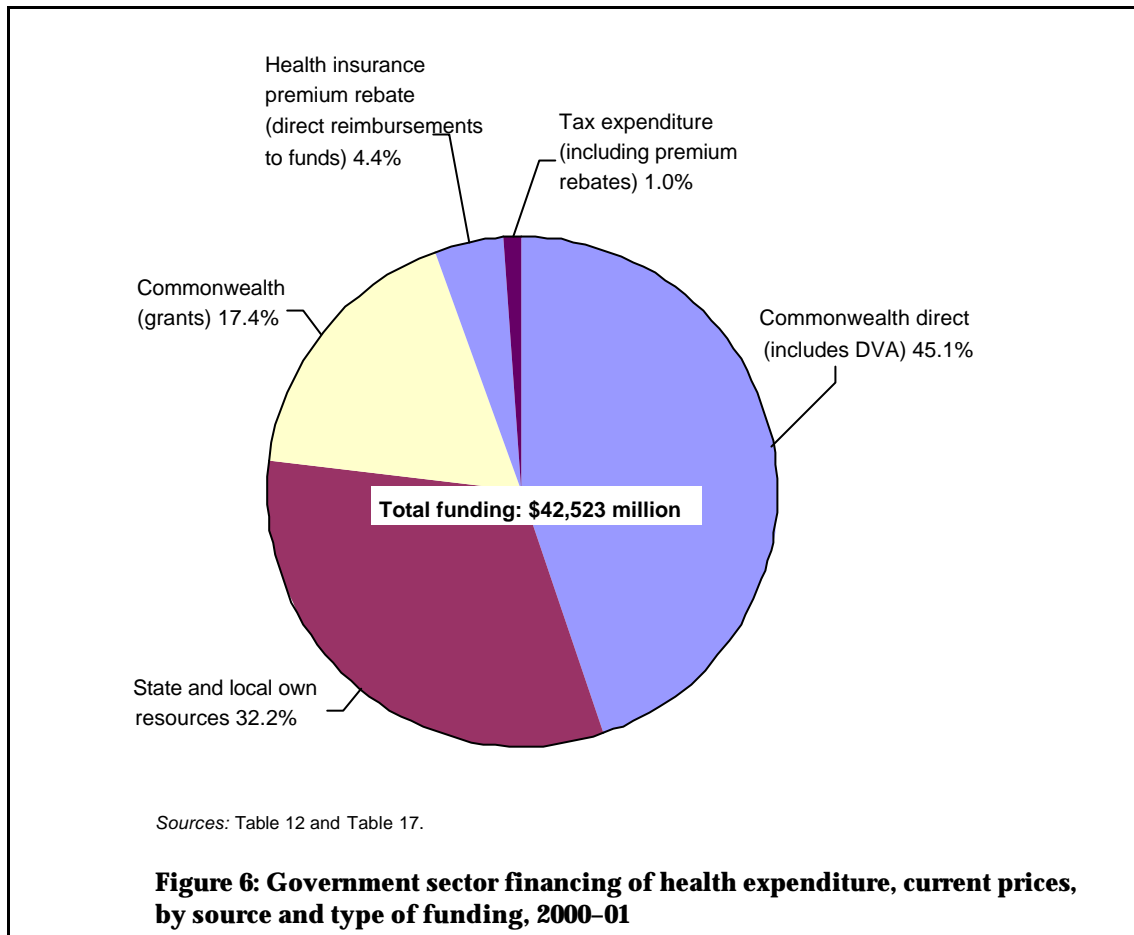
(b) Commonwealth and non-government expenditure has been adjusted for tax expenditures.

(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure databas.

In the decade to 2000–01, funding of health expenditure by governments in Australia grew at a higher average annual real rate (4.7%) than did total expenditure on health funded from all sources, which averaged 4.4% per year (Table 16).

As a consequence, the contribution of governments to the funding of total health expenditure increased from 67.7% in 1990–91 to 70.0% in 2000–01 (Table 13, page 19).



Commonwealth

In 2000–01 the Commonwealth Government provided 67.8% of estimated total government expenditure (Figure 6). This sub-section gives more detail on Commonwealth funding of recurrent expenditure. Funding for capital formation is included in Chapter 4.

The *Private Health Insurance Incentives Act 1997* introduced the Private Health Insurance Incentives Scheme (PHIIS) with effect from 1 July 1997. Under the PHIIS, fixed-rate rebates were provided to low- and middle-income earners with hospital and/or ancillary cover with a private health insurance fund. Those rebates could be taken in the form of reduced premiums (with the health funds being reimbursed by the Commonwealth out of appropriations) or as income tax rebates claimable after the end of the income year.

On 1 January 1999, the means-tested PHIIS was replaced with an open-ended 30% rebate on premiums, which was available to all people with private health insurance cover. Like the PHIIS, the 30% rebate could be taken either as a reduced premium (with the health funds being reimbursed by the Commonwealth) or as an income tax rebate.

The first full year of the 30% rebate was 1999–00. In that year total expenditure on the rebate was \$1,580 million. That year was also the transitional year in the introduction of the Commonwealth’s Lifetime Health Cover strategy, which aimed to induce more people to take up and/or retain private health insurance cover throughout their lives. In 2000–01, total expenditure on rebates was \$2,126 million, a 34.6% increase over the previous year (Table 17).

Table 17: Total health expenditure by the Commonwealth Government, current prices, by type of expenditure, 1990–91 to 2000–01 (\$ million)

Year	General expenditure					Tax expenditure			
	DVA	Grants to States	Rebates of health insurance premiums	Direct expenditure	Total	Rebates of health insurance premiums	General health tax expenditures	Total	Total
1990–91	1,199	3,631	..	8,285	13,115	..	85	85	13,200
1991–92	1,256	3,786	..	9,043	14,085	..	82	82	14,167
1992–93	1,276	4,050	..	9,874	15,200	..	91	91	15,291
1993–94	1,412	4,404	..	10,771	16,588	..	95	95	16,683
1994–95	1,488	4,729	..	11,242	17,459	..	91	91	17,551
1995–96	1,540	5,012	..	12,340	18,892	..	105	105	18,997
1996–97	1,658	5,202	..	12,822	19,681	..	125	125	19,806
1997–98	1,799	5,607	252	13,496	21,154	160	130	290	21,444
1998–99	2,142	6,328	778	13,981	23,229	180	150	330	23,559
1999–00	2,478	6,569	1,385	15,334	25,766	195	160	355	26,121
2000–01 ^(a)	2,684	7,380	1,856	16,486	28,405	270	170	440	28,845

(a) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

Department of Veterans’ Affairs

Expenditure by DVA on health is for the purchase of health goods and services on behalf of eligible veterans and their dependants. Most of that expenditure is related to the provision of institutional care. Expenditure by DVA on hospitals and high-level residential aged care services accounted for 60.7% of its total expenditure on health of \$2,478 million during 1999–00 (Table 17).

Other Commonwealth sources of funding

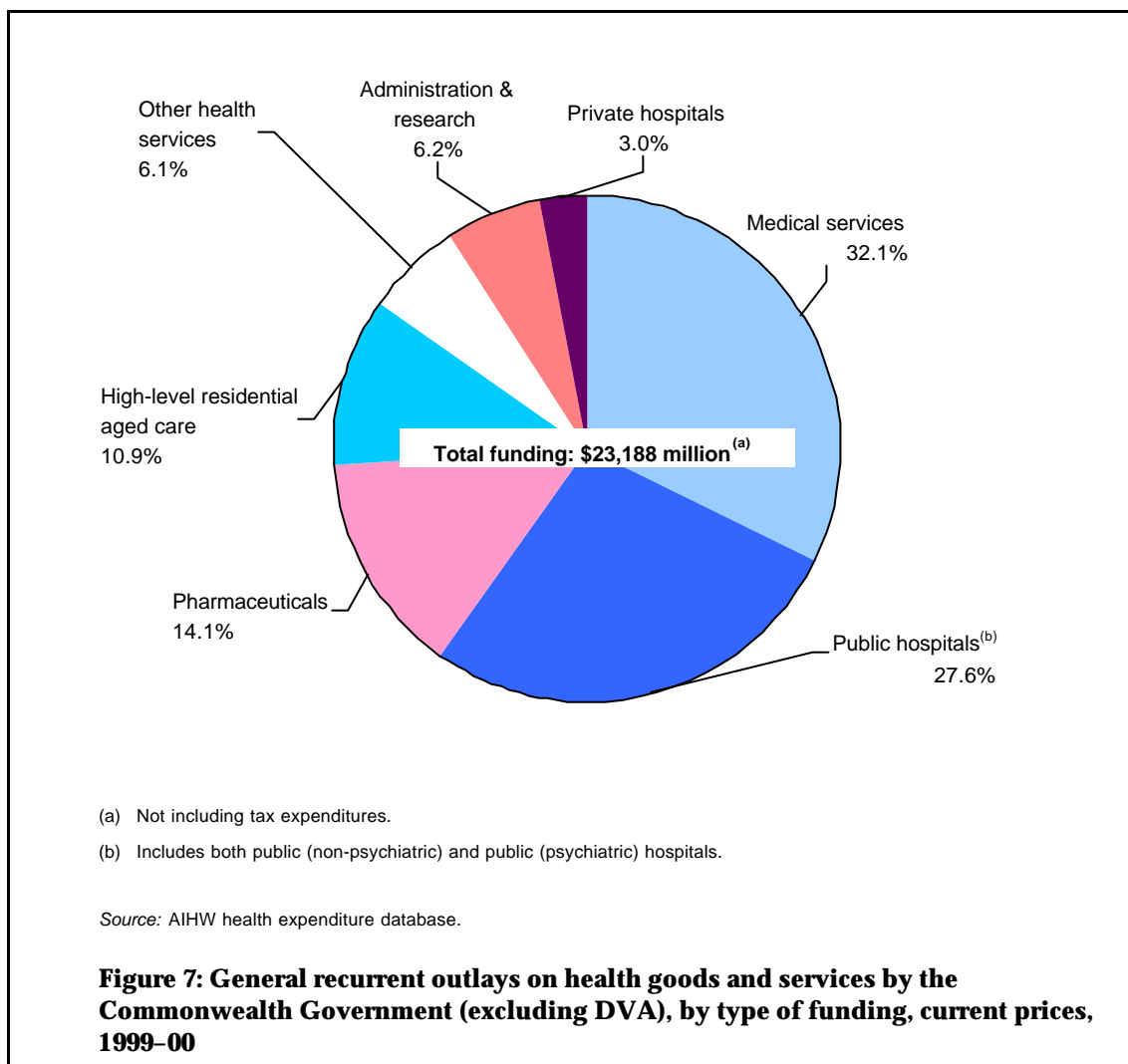
General recurrent outlays on health

Expenditure recorded as ‘general recurrent outlays on health’ are recurrent expenditures paid out of appropriations by the Commonwealth Government. Most

of those expenditures are administered by the Commonwealth Department of Health and Ageing. They include:

- grants to the States and Territories that are specifically targeted to health purposes;
- payments of personal health benefits to individuals (for example, Medicare and pharmaceutical benefits); and
- subsidies paid to providers of health (for example, high-level residential aged care subsidies).

From 1997–98 these expenditures also include reimbursements, out of appropriations, to health insurance funds under the PHIS and the 30% rebate arrangements.



Almost one-third of all funding by the Commonwealth was for medical services. In 1999–00, this accounted for 32.1% of all general recurrent outlays on health by the Commonwealth (Figure 7).

Most of the Commonwealth grants to State and Territory Governments recorded in the general recurrent outlays on health are grants provided under the Australian

Health Care Agreements between these two levels of government. These grants are primarily directed to expenditure in the public hospital systems of the States and Territories, which in 1999–00 accounted for 27.6% of total general recurrent outlays by the Commonwealth.

The other two main areas for which the Commonwealth provided funding are pharmaceuticals, which in 1999–00 accounted for 14.1% of general recurrent outlays, and high-level residential aged care subsidies, which accounted for 10.9%.

Tax expenditures

An additional and growing type of funding for health expenditure by the Commonwealth Government is rebates claimed through the taxation system on health-related expenditures. These are referred to as tax expenditures. There are two types of these rebates that relate to health—general health tax rebates, and rebates on health insurance premiums claimed through the taxation system.

General health tax rebates type is included in the estimates of health expenditure for all years. These are rebates on health expenditures incurred by individuals for themselves or their dependants, less any amount payable to them in respect of those expenses by government or a society, association or fund. Only that part of the total expenditures that exceeds a threshold can be used to claim the rebate. In 2000–01, that threshold was \$1,250 and the total value of general health rebates was estimated at \$170 million in that year.

The second type of tax expenditure comprises subsidies and rebates claimed under the *Private Health Insurance Incentives Act 1997*. From 1997–98, tax expenditures increased substantially due to the effects of the subsidies to private health insurance. Where such rebates were taken as tax rebates the taxation revenues forgone by the Commonwealth were counted as tax expenditures. In 2000–01, tax expenditures related to the private health insurance rebate totalled \$270 million, in current prices.

Tax rebates can only be claimed in years after the one in which the payments that led to them were incurred. Therefore, adjustments are made to ensure that the health-related tax expenditures are actually recorded for the year in which the payments that led to the tax expenditures were incurred. Total tax expenditures in 2000–01 were estimated at \$440 million in current prices (Table 17).

Table 18: Commonwealth taxation expenditures, constant prices,^(a) 1990–91 to 2000–01

Year	General		Health insurance rebates		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	103	..	..	..	103	..
1991–92	96	-7.0	..	..	96	-7.0
1992–93	105	8.8	..	..	105	8.8
1993–94	107	2.7	..	..	107	2.7
1994–95	102	-4.9	..	..	102	-4.9
1995–96	116	13.2	..	..	116	13.2
1996–97	134	15.9	..	..	134	15.9
1997–98	136	1.5	168	..	304	126.5
1998–99	155	13.7	186	10.9	341	12.2
1999–00	160	3.2	195	4.8	355	4.1
2000–01 ^(b)	162	1.5	258	32.3	420	18.4
Average annual growth rates						
1990–91 to 1992–93		0.6		..		0.6
1992–93 to 1997–98		5.4		..		23.8
1997–98 to 2000–01		6.0		15.4		11.4
1990–91 to 2000–01		4.6		..		15.1

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Tax expenditures resulting from the general health tax rebates grew, in real terms, at an average of 4.6% between 1990–91 and 2000–01 (Table 18).

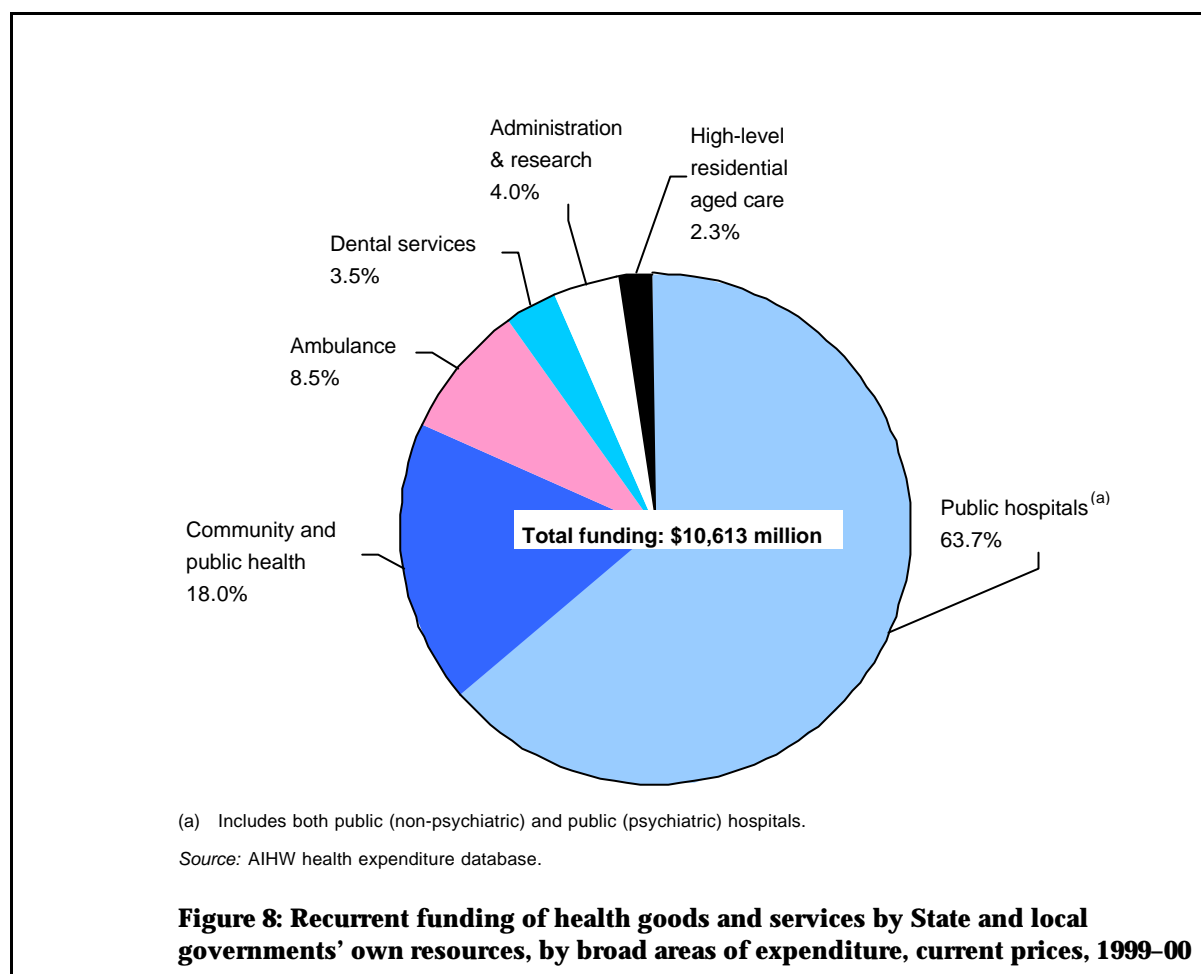
Real growth in general health tax expenditures is affected by the general level of private expenditure on health as well as a number of other factors. Two of the more important of these are variations in the threshold above which rebates on health expenditures are allowed (\$1,250 in 2000–01) and the rate of the rebate (20% in 2000–01).

Another important factor is the level of coverage by private health insurance. The rebate is based on the non-refundable portion of expenditure. The fall in private health insurance cover over the period to 1996–97 and the tendency to ‘self-insure’ meant that an increasing number of people would have been faced with non-refundable expenditures above the threshold. However, increases in private health insurance cover following the introduction of the PHIIS and, more importantly, the open-ended 30% rebate on premiums, have made it less likely that the threshold would be reached and tax expenditures result.

Between 1997–98 and 2000–01 annual average growth in general health tax expenditures was 6.0% in real terms, while growth in tax expenditures resulting from the rebate on premiums increased at an average of 15.4% per year.

State and Territory Governments and local government authorities

State and Territory Governments are the major providers of publicly provided health goods and services in Australia. Those services are financed by a combination of specific purpose grants from the Commonwealth Government, funding by the States and Territories out of their own fiscal resources and funding provided by non-government sources (usually in the form of user fees). Taken together, these sources of funding amount to two-thirds of all government expenditure on those services.

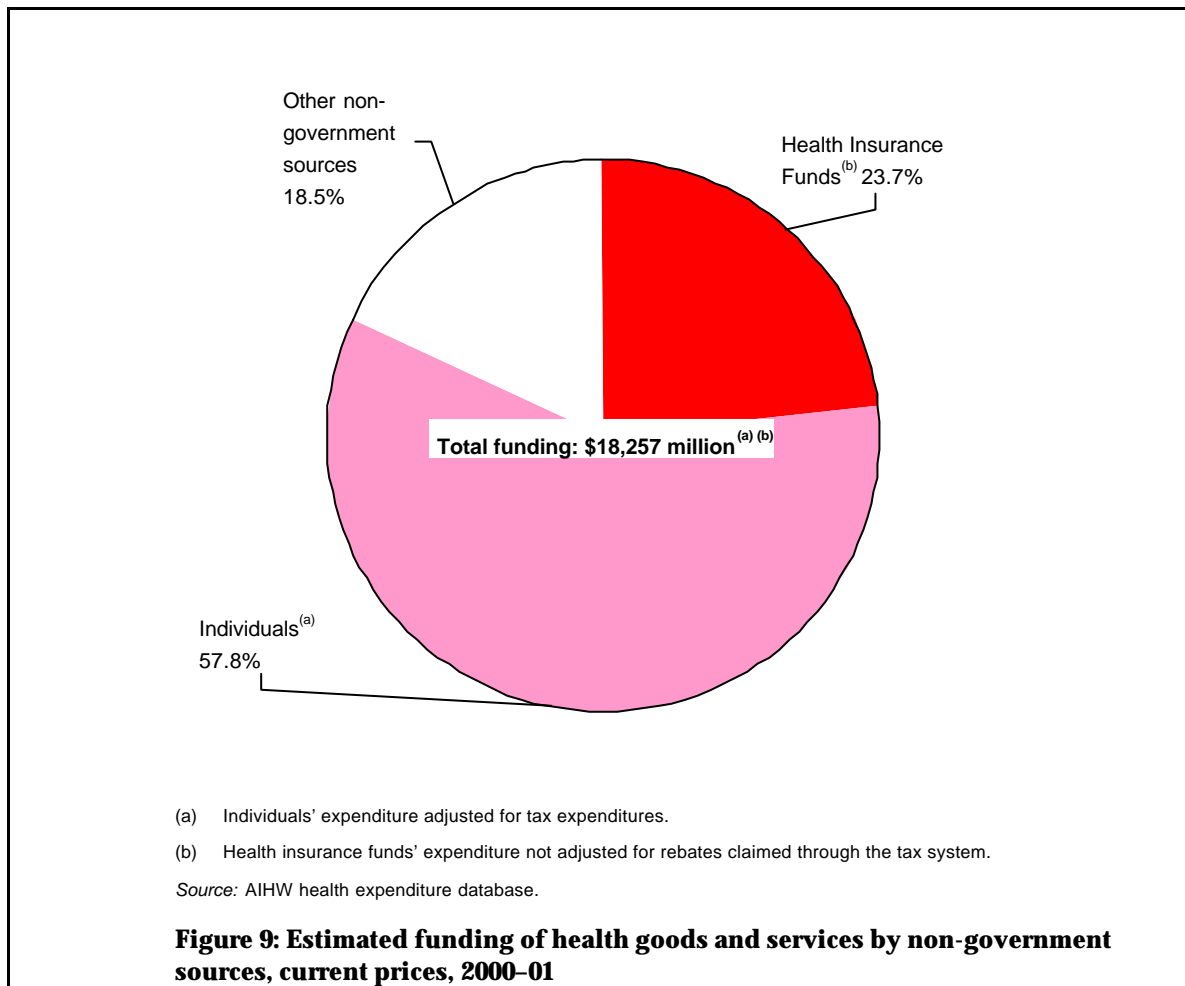


In terms of the types of health goods and services funded by the States and Territories and by local government authorities, spending on public hospitals dominates, accounting for 63.7% of recurrent funding provided by those government sources in 1999-00 (Figure 8).

Expenditure on health by State, Territory and local governments increased, in real terms, by an average of 3.2% per year between 1990-91 and 2000-01, the annual rate of growth having decreased after its peak of 9.6% in 1996-97 (Table 16, page 23).

3.3 Non-government sources of funds

Most non-government funding for health goods and services in Australia comes from out-of-pocket expenditure by individuals. This includes both expenditure when the individual meets the full cost of care and where the individual and third-party payers (for example, private health insurance funds or the Commonwealth Government) share the funding. Expenditure by individuals accounted for 57.8% (\$10.5 billion) of estimated non-government funding of health goods and services during 2000–01 (Figure 9 and Table 19) and rose by almost 8 percentage points over the decade to 2000–01. Private health insurance funds provided 23.7% (\$4.3 billion) down from 34.7% in 1990–91. The remaining 18.5% (\$3.4 billion) came from other non-government sources (mainly compulsory motor vehicle injury insurers and workers' compensation insurers), which experienced a rise in its share of funding of health, by 3.1 percentage points, over the decade.



Non-government financing which averaged around 33% of total health expenditure, each year between 1991–92 and 1996–97, fell to 30.0% in 2000–01 (Table 13, page 19). This was largely due to the influence of the Commonwealth's subsidy to private health insurance. The effect of that subsidy is that the benefits paid for private health goods and services used by insured persons and their dependants are now jointly

funded by a combination of the Commonwealth Government's reimbursements to the funds, rebates claimed by members through the taxation system and the net private health insurance premiums paid by members (Table 22, page 36).

Table 19: Non-government sector funding of total health expenditure, by source of funds, current prices, 1990-91 to 2000-01

Year	Private health insurance funds		Individuals ^(a)		Other non-government ^(b)		All non-government sources	
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)
1990-91	3,512	34.7	5,041	49.9	1,556	15.4	10,109	100.0
1991-92	3,796	35.1	5,540	51.2	1,482	13.7	10,818	100.0
1992-93	3,979	34.3	5,895	50.8	1,731	14.9	11,605	100.0
1993-94	4,075	32.8	6,272	50.4	2,092	16.8	12,440	100.0
1994-95	4,201	31.8	6,702	50.8	2,303	17.4	13,205	100.0
1995-96	4,426	32.0	6,751	48.8	2,649	19.2	13,825	100.0
1996-97	4,700	31.1	7,562	50.0	2,856	18.9	15,118	100.0
1997-98	^(c) 4,428	28.6	8,119	52.4	2,961	19.1	15,508	100.0
1998-99	^(c) 4,061	25.2	9,023	55.9	3,058	18.9	16,142	100.0
1999-00	^(c) 3,793	22.9	9,688	58.5	3,068	18.5	16,549	100.0
2000-01 ^(d)	^(c) 4,349	23.8	10,534	57.7	3,378	18.5	18,247	100.0

(a) Adjusted for tax expenditures.

(b) Includes expenditure on capital formation.

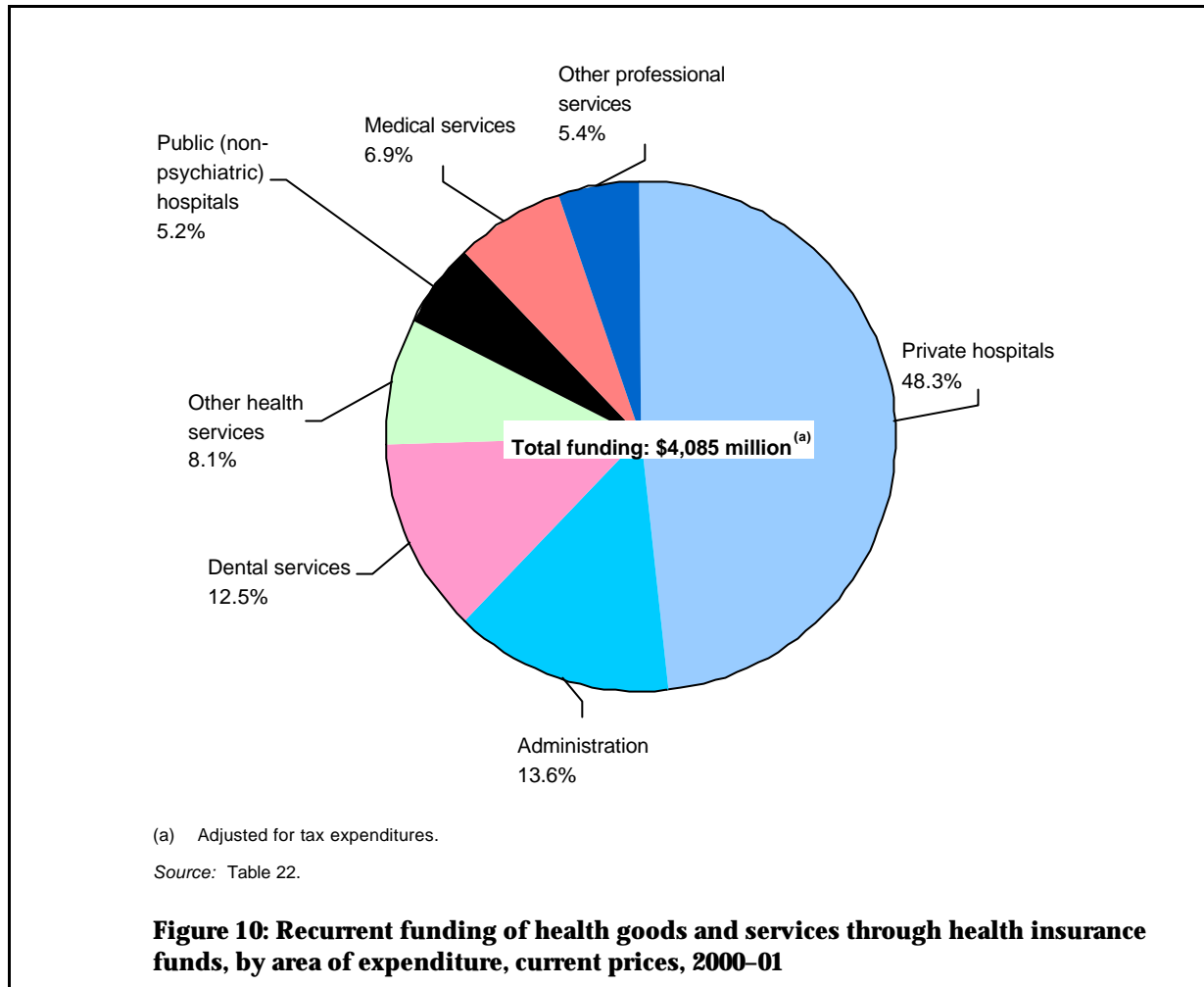
(c) Not adjusted for 30% premium rebates claimed through the tax system.

(d) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Private health insurance

Expenditure by private health insurance funds is chiefly directed at the funding of private hospitals. During 2000-01, private hospitals accounted for 48.3% of the \$4.1 billion in funding provided by health insurance funds (Figure 10). Other major areas of expenditure that received funding were administration (13.6%) and dental services (12.5%).



General benefits and administration

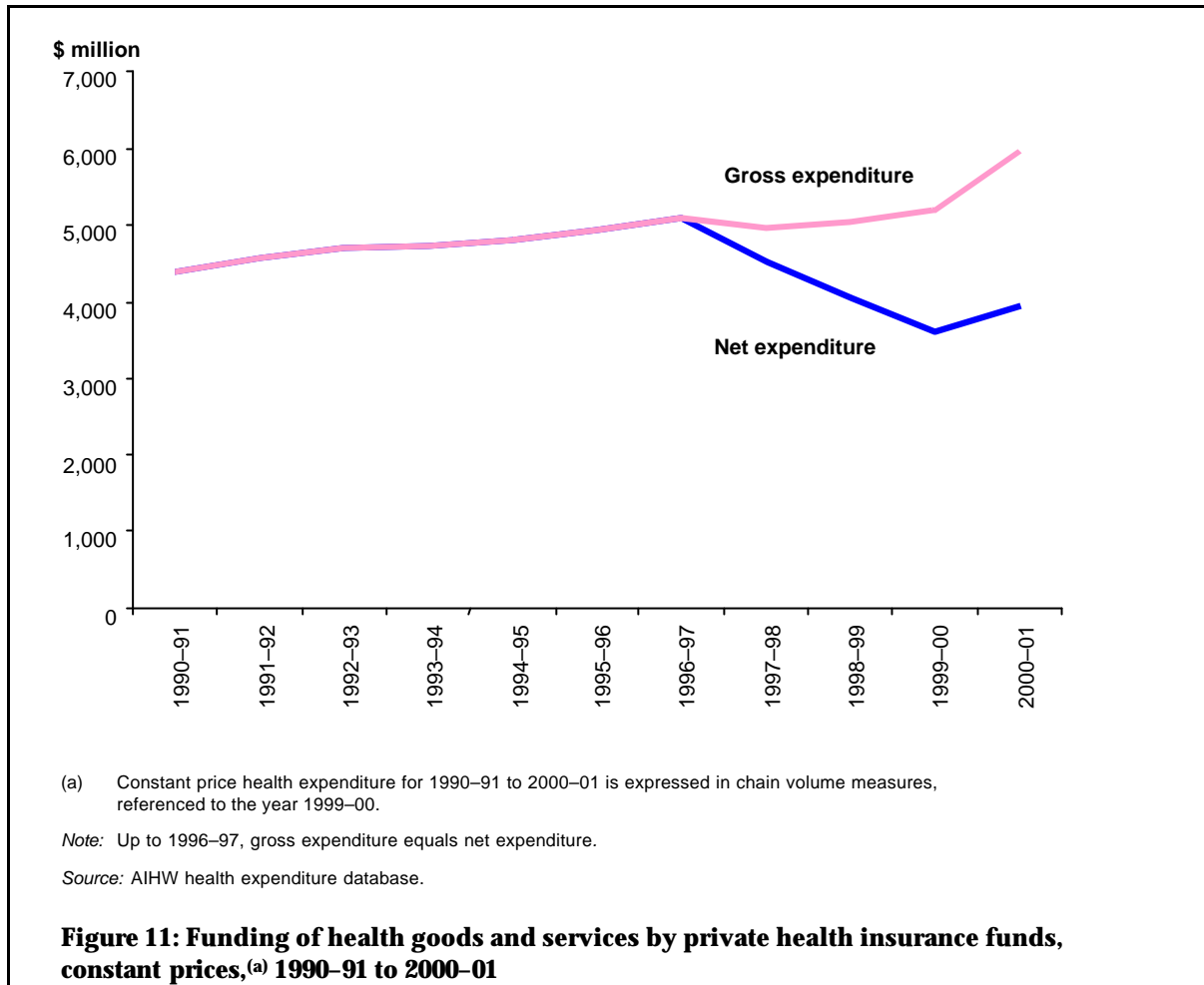
Gross expenditure on health goods and services financed through private health insurance funds grew, in real terms, at an average of 3.1% per year between 1990-91 and 2000-01 (Table 20). The effect of the Commonwealth Government's subsidy to private health insurance, in 1999-00 prices terms, has been that the health expenditure that was financed out of the funds' earnings (that is, the net expenditure of the funds after deducting the Commonwealth subsidy) was \$3.9 billion during 2000-01. This is compared with almost \$4.4 billion unsubsidised expenditure during the first year of the period under review, 1990-91 (Figure 11 and Table 20).

Table 20: Expenditure on health goods and services and administration through private health insurance funds, constant prices,^(a) and annual growth rates, 1990–91 to 2000–01

Year	Gross payments through health insurance funds		Reimbursement for rebates allowed by funds		Rebates through taxation system		Net payments from health insurance funds resources	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	4,380	..	..	..	..	..	4,380	..
1991–92	4,563	4.2	..	..	..	..	4,563	4.2
1992–93	4,688	2.7	..	..	..	..	4,688	2.7
1993–94	4,730	0.9	..	..	..	..	4,730	0.9
1994–95	4,801	1.5	..	..	..	..	4,801	1.5
1995–96	4,937	2.8	..	..	..	..	4,937	2.8
1996–97	5,073	2.7	..	..	..	..	5,073	2.7
1997–98	4,944	-2.5	266	..	167	..	4,511	-11.1
1998–99	5,026	1.7	807	203.8	186	11.1	4,032	-10.6
1999–00	5,178	3.0	1,385	71.5	191	2.8	3,602	-10.7
2000–01	5,952	15.0	1,785	28.9	250	30.7	3,918	8.8
Average annual growth rates								
1990–91 to 1992–93		3.5		..		..		3.5
1992–93 to 1997–98		1.1		..		..		-0.8
1997–98 to 2000–01		6.4		88.6		14.3		-4.6
1990–91 to 2000–01		3.1		..		..		-1.1

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

Source: AIHW health expenditure database.



Health insurance administration

Since 1997-98, when the PHIIS was introduced, expenditure on administration through health insurance funds grew, in real terms, at an average of 14.3% per year, compared with an average growth rate of 4.3% between 1990-91 and 1996-97 (Table 21).

The PHIIS did not markedly alter the growth in volume but the introduction of the open-ended 30% rebate with no means test resulted in a large increase in expenditure on administration by health insurance funds.

Table 21: Expenditure on health administration through private health insurance funds, constant prices,^(a) and annual growth rates, 1990–91 to 2000–01

Year	Gross payments through health insurance funds for administration		Reimbursement for rebates allowed by funds		Rebates through taxation system		Net payments through health insurance funds for administration	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	411	..	..	..	..	..	411	..
1991–92	439	6.8	..	..	..	..	439	6.8
1992–93	461	5.0	..	..	..	..	461	5.0
1993–94	482	4.6	..	..	..	..	482	4.6
1994–95	495	2.7	..	..	..	..	495	2.7
1995–96	504	1.8	..	..	..	..	504	1.8
1996–97	530	5.2	..	..	..	..	530	5.2
1997–98	540	1.9	31	..	19	..	492	-7.2
1998–99	591	9.4	99	222.8	23	17.5	473	-3.9
1999–00	717	21.3	191	94.3	26	16.5	495	4.7
2000–01	807	12.6	243	26.9	34	28.7	514	3.8
Average annual growth rates								
1990–91 to 1992–93		5.9		..		..		5.9
1990–91 to 1996–97		4.3		..		..		4.3
1992–93 to 1997–98		3.2		..		..		1.3
1997–98 to 2000–01		14.3		99.6		20.8		1.5
1990–91 to 2000–01		7.0		..		..		2.3

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

Source: AIHW health expenditure database.

Health insurance premium rebate

From 1 July 1997, the Commonwealth Government reimbursed the private health insurance funds for income forgone by the funds due to the reduction in premiums required under new legislation to subsidise contributions to the funds.

The reimbursements paid to the funds are treated as Commonwealth subsidies for the types of services that attract payments by the health insurance funds and for changes in the provisions for outstanding claims. Consequently they are distributed to the different areas of expenditure according to the distribution of payments by the funds. For example, because 46.4% of gross payments by the health insurance funds relate to private hospital services, that same proportion of the Commonwealth subsidy is allocated to private hospital services (Table 22).

Table 22: Expenditure on health goods and services funded through health insurance funds, current prices, 1998–99 to 2000–01 (\$ million)

Area of expenditure	1998–99				1999–00				2000–01			
	Gross benefits paid	Premium rebates ^(a)		Net benefits paid	Gross benefits paid	Premium rebates ^(a)		Net benefits paid	Gross benefits paid	Premium rebates ^(a)		Net benefits paid
		Direct	Taxation			Direct	Taxation			Direct	Taxation	
Expenditure												
Hospitals	2,813	452	104	2,256	2,900	774	107	2,019	3,312	993	139	2,180
Public (non-psychiatric)	289	48	11	230	287	77	11	200	322	96	13	212
Private	2,524	404	93	2,026	2,612	698	96	1,819	2,990	897	125	1,968
Ambulance	125	20	5	101	136	36	5	95	181	54	8	119
Medical services	253	41	9	203	281	75	10	196	427	128	18	281
Other health professionals	235	38	9	189	262	70	10	182	333	100	14	219
Pharmaceuticals	36	6	1	29	43	12	2	30	53	16	2	35
Aids and appliances	186	30	7	149	210	56	8	146	268	80	11	176
Community/public health	1	—	—	—	1	—	—	—	1	—	—	—
Dental services	603	97	22	484	636	170	23	442	774	232	32	509
Total health	4,252	683	157	3,411	4,469	1,193	165	3,111	5,348	1,603	224	3,520
Health administration	591	95	22	474	717	191	26	499	843	253	35	555
Direct expenditure	4,843	778	179	3,885	5,186	1,385	191	3,610	6,191	1,856	260	4,075
Outstanding claims	10	2	—	8	91	24	3	63	220	66	9	145
Non-health ancillaries	15	2	1	12	17	5	1	12	27	8	1	18
Total expenditure	4,867	782	180	3,905	5,294	1,414	195	3,685	6,438	1,930	270	4,238
Revenue												
Contributions income ^(b)				3,965				3,853				4,932
Other revenue				149				214				226
<i>Total revenue</i>				4,113				4,067				5,158
Operating profit/loss before abnormals and extraordinary items				176				381				852

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

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

Sources: PHIAC quarterly reports and Annual Report: Operations of the Registered Health Benefits Organisations 1998–99 to 2000–01. Department of the Treasury, *Tax Expenditures Statement*, various years.

4 Health expenditure and its funding by area of expenditure

4.1 Recurrent expenditure on health goods and services

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

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

- hospitals;
- high-level residential aged care (formerly nursing homes);
- ambulance (patient transport) services; and
- other institutional health services (nec).

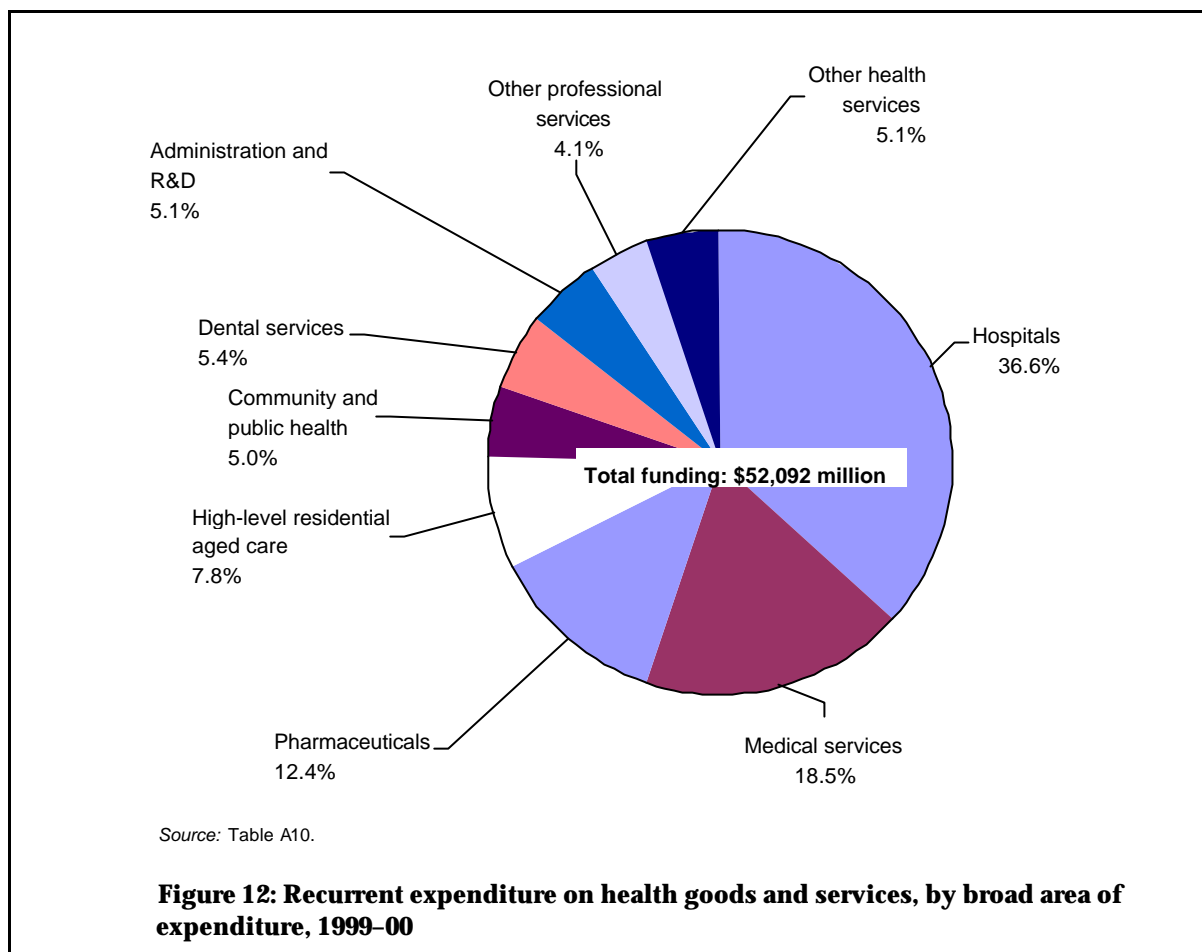
Non-institutional expenditure includes:

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

Of the areas of health goods and services that attract recurrent expenditure, hospitals and medical services account for more than half. In 1999–00 hospitals were estimated to have accounted for 36.6% of total recurrent expenditure on health services, and medical services 18.5% (Figure 12).

Within these two categories, however, there is substantial overlap. For example, public hospitals spent \$2,209 million on salaried medical officers and visiting medical officers during 1999–00 (AIHW 2001). While these are payments in respect of staff that provide 'medical-type' services, they are included in the gross operating costs of the public hospitals and are counted as expenditure on public hospitals. Also, some other expenditures that make up the estimates of expenditure on hospitals (for example, salaries of technical staff involved in providing diagnostic services) relate to the provision of 'medical-type' services provided to public patients in hospitals.

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



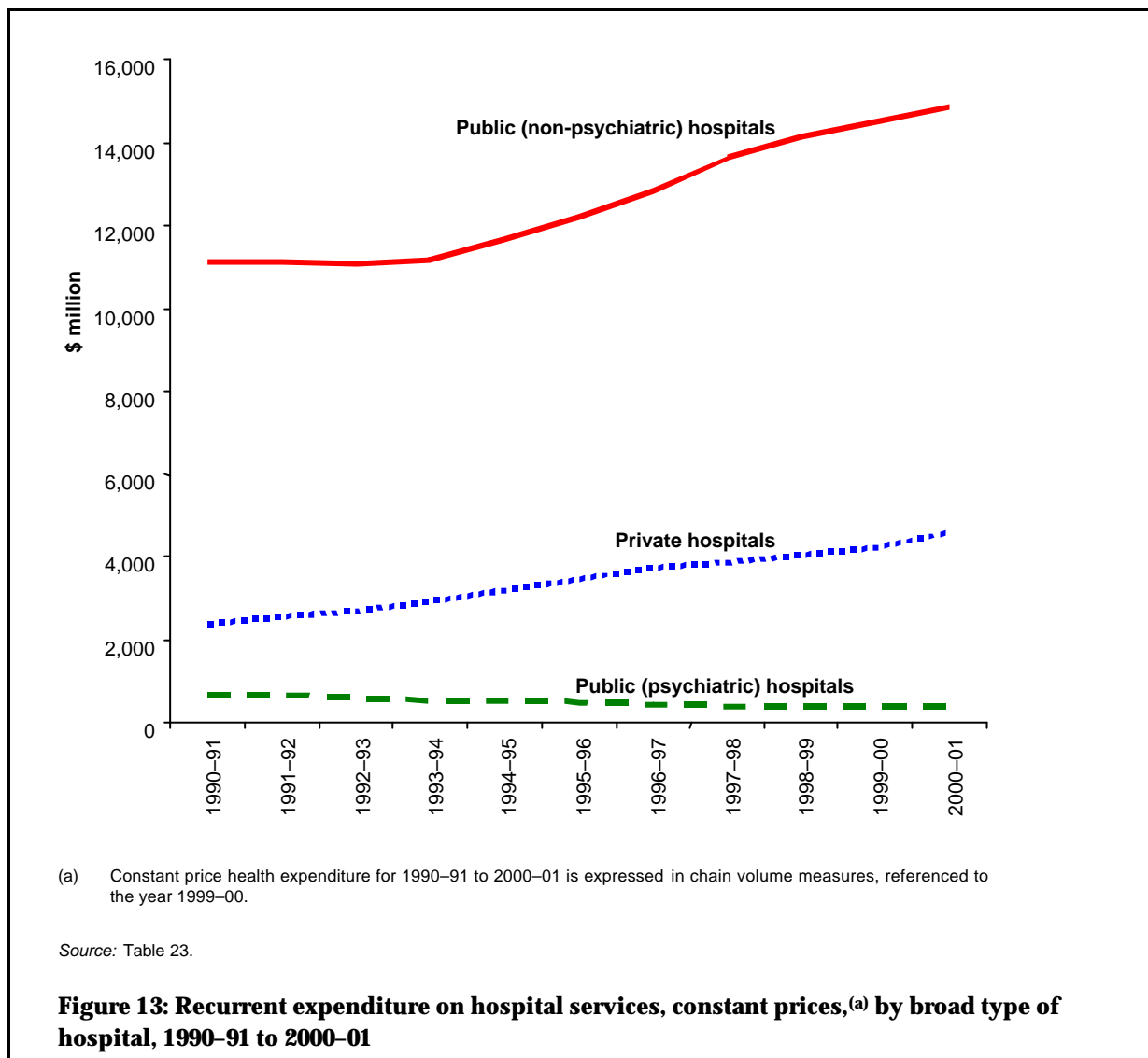
Institutional health services

Hospitals

Expenditure on health goods and services provided by hospitals accounts for more than one-third (36.6%) of all recurrent expenditure on health goods and services in Australia. There are three broad categories of hospitals:

- Public (non-psychiatric) hospitals, which are operated by or on behalf of State and Territory Governments and provide general hospital services to admitted and non-admitted patients.
- Public psychiatric hospitals, which are also operated by or on behalf of the State and Territory Governments, but provide psychiatric care, not general hospital services.
- Private hospitals, which are operated by non-government organisations and most of which provide general hospital services to admitted patients. This category also includes some private psychiatric hospitals.

It should be noted that, while expenditure on both public (non-psychiatric) and private hospitals includes some expenditure related to the provision of psychiatric care, they are not separately reported. Therefore, while all expenditure on public psychiatric hospitals relates to psychiatric care services, it does not capture all expenditure on psychiatric care provided in hospitals. For example, expenditure on designated psychiatric wards in general hospitals is captured as expenditure on either public (non-psychiatric) hospitals or private hospitals.



As explained earlier in respect of medical services provided in hospitals, some of the expenditure that is recorded as expenditure on hospitals relates to services that could also fit other health services categories. Other such examples are community and public health activities that are based within public hospitals. The associated expenditure is captured as expenditure on public hospitals, not as community and public health. Similarly, expenditure on medications provided to patients in hospitals is counted as expenditure on hospitals. Expenditure on drug supplies in public

hospitals during 1999–00 was \$0.8 billion (AIHW 2001). Expenditure on drugs, medical and surgical supplies in private hospitals was \$0.6 billion (ABS 2001b).

Expenditure on both public (non-psychiatric) hospitals and private hospitals grew, in real terms, between 1990–01 and 2000–01 (Table 23 and Figure 13). Annual growth in expenditure on public (non-psychiatric) hospitals averaged 2.9% per year over the period, while expenditure on private hospitals grew at an average of 6.7%.

Expenditure on public (psychiatric) hospitals, on the other hand, experienced real decreases in most years. The average annual decrease in expenditure on public (psychiatric) hospitals between 1990–91 and 2000–01 was 4.7%.

Table 23: Recurrent funding of hospitals, constant prices,^(a) by broad type of hospital, and annual growth rates, 1990–91 to 2000–01

Year	Public hospitals							
	Public (non-psychiatric)		Public (psychiatric)		Private hospitals		All hospitals	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	11,111	..	681	..	2,390	..	14,183	..
1991–92	11,092	-0.2	654	-4.0	2,575	7.7	14,321	1.0
1992–93	11,071	-0.2	579	-11.4	2,716	5.5	14,367	0.3
1993–94	11,158	0.8	551	-4.9	2,900	6.8	14,609	1.7
1994–95	11,621	4.1	533	-3.2	3,212	10.8	15,366	5.2
1995–96	12,187	4.9	495	-7.1	3,462	7.8	16,145	5.1
1996–97	12,815	5.1	438	-11.6	3,736	7.9	16,989	5.2
1997–98	13,631	6.4	398	-9.1	3,846	2.9	17,874	5.2
1998–99	14,114	3.5	406	2.0	4,049	5.3	18,569	3.9
1999–00	14,460	2.5	421	3.8	4,204	3.8	19,085	2.8
2000–01 ^(b)	14,854	2.7	421	—	4,539	8.0	19,815	3.8
Average annual growth rates								
1990–91 to 1992–93		-0.2		-7.8		6.6		0.6
1992–93 to 1997–98		4.2		-7.2		7.2		4.5
1997–98 to 2000–01		2.9		1.9		5.7		3.5
1990–91 to 2000–01		2.9		-4.7		6.6		3.4

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Public hospitals

Public (non-psychiatric) hospitals

Funding by the Commonwealth Government accounted for 47.8% of total recurrent expenditure on public (non-psychiatric) hospitals in 1999–00, an increase from 42.8% in 1990–91 (Table 24). Part of the growth in the Commonwealth's share resulted from renegotiation of the cost-sharing arrangements under the different five-year health care funding agreements between the Commonwealth and the State and Territory

Governments. Preliminary estimates for 2000–01 indicate that the Commonwealth’s share of funding of public (non-psychiatric) hospitals had risen slightly to 48.1%.

The share of funding of public (non-psychiatric) hospitals met by State and Territory Governments from their own resources in 1999–00 was 44.0%. It had decreased from 46.9% in 1990–91 and was lower than in 1996–97 (the last year of the last Medicare Agreements between the Commonwealth and the States and Territories).

Table 24: Distribution of expenditure on public (non-psychiatric) hospitals, by broad source of funds, 1990–91 to 2000–01 (per cent)

Year	Government			Non-government	Total
	Commonwealth	State and local	Total		
1990–91	42.8	46.9	89.8	10.2	100.0
1991–92	42.7	47.9	90.6	9.4	100.0
1992–93	44.6	46.3	90.9	9.1	100.0
1993–94	49.4	40.5	89.8	10.2	100.0
1994–95	48.6	41.9	90.4	9.6	100.0
1995–96	47.3	43.5	90.8	9.2	100.0
1996–97	45.2	46.0	91.2	8.8	100.0
1997–98	45.2	47.2	92.3	7.6	100.0
1998–99	48.2	45.4	93.5	6.4	100.0
1999–00	47.8	44.0	91.7	8.2	100.0
2000–01 ^(a)	48.1	43.4	91.4	8.5	100.0

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

The relative shares of responsibility for financing public hospitals between the Commonwealth Government, on the one hand, and the State and Territory Governments, on the other, are generally set through five-year agreements entered into by the parties. During the course of the first of these agreements (that is, up to 1992–93) both the Commonwealth and the States and Territories maintained their respective shares of the financing burden at around 43% and 47%.

Following renegotiation of the funding arrangements in 1992–93 there was a large rise in the Commonwealth Government’s share of funding, from 44.6% to 49.4% in the first year of the new agreements. At the same time State Governments’ share of funding fell from 46.3% to 40.5%. This national result masked different outcomes in different States, as some State Governments reduced funding significantly, while others maintained or increased their efforts. The Commonwealth’s share then gradually fell over the period of that agreement as it maintained its own funding in real terms while the States and Territories built up their levels of funding.

In the first year of the latest Australian Health Care Agreement period (that is, 1998–99) the Commonwealth Government’s share of funding once again increased substantially, from 45.2% to 48.2%. A small part of the increase in the Commonwealth’s share came from the effects of its subsidies to private health insurance. Those subsidies effectively transferred some of the responsibility for what

had previously been private expenditure on public hospitals to the Commonwealth. As a result, non-government expenditure on public hospitals (which had fluctuated between 8.8% and 10.2% over the years 1990–91 to 1996–97) fell to 7.6% in 1997–98 and to 6.4% in 1998–99 before rising to 8.2% in 1999–00 and 8.5% in 2000–01.

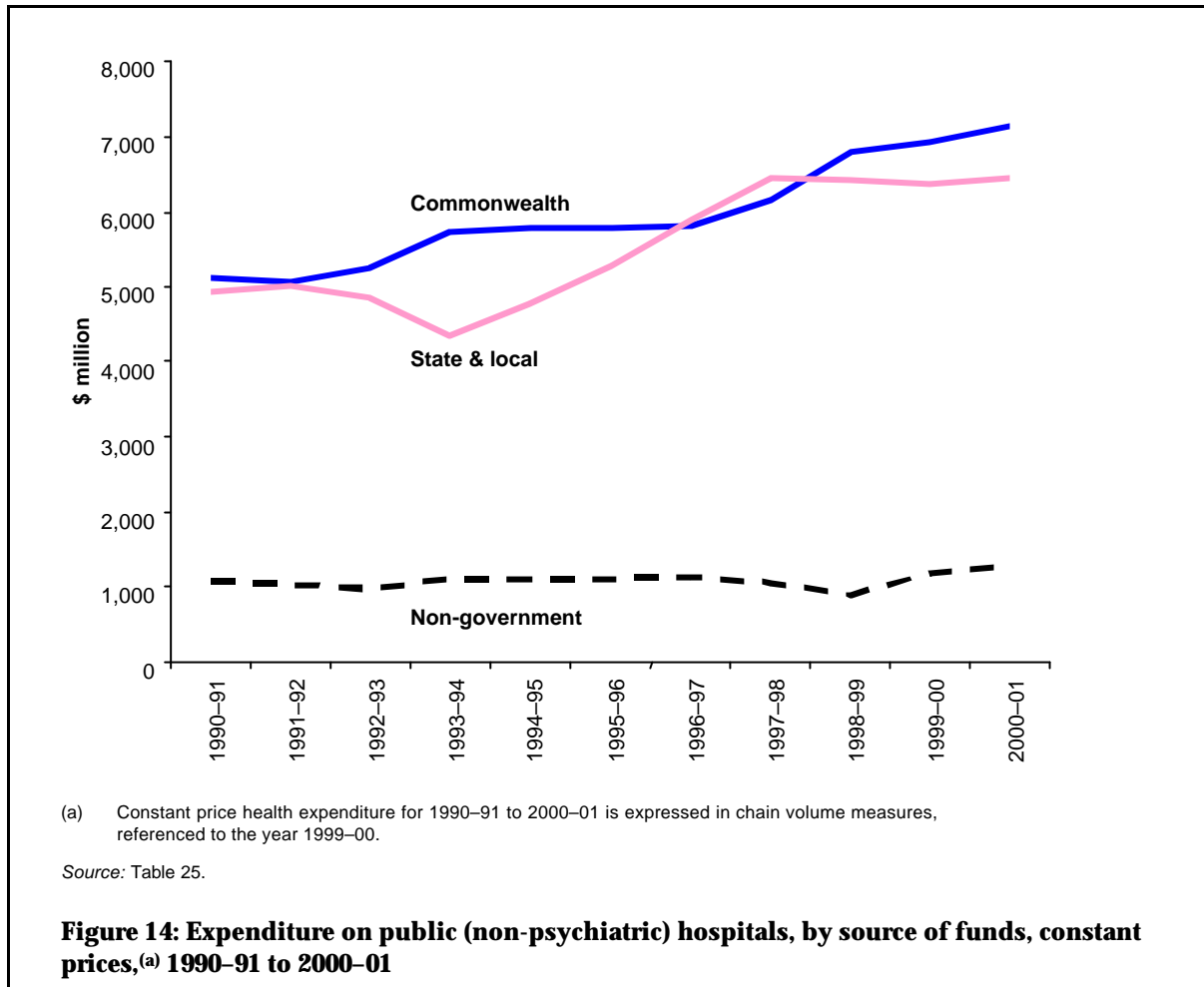
Table 25: Recurrent funding of public (non-psychiatric) hospitals, constant prices,^(a) by source of funds, and annual growth rates, 1990–91 to 2000–01

Year	Government				Non-government		Total	
	Commonwealth		State and local		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1990–91	5,106	..	4,921	..	1,084	..	11,111	..
1991–92	5,056	-1.0	5,014	1.9	1,021	-5.8	11,092	-0.2
1992–93	5,234	3.5	4,848	-3.3	988	-3.2	11,071	-0.2
1993–94	5,718	9.2	4,334	-10.6	1,106	11.9	11,158	0.8
1994–95	5,766	0.8	4,755	9.7	1,099	-0.6	11,621	4.1
1995–96	5,779	0.2	5,284	11.1	1,124	2.3	12,187	4.9
1996–97	5,797	0.3	5,890	11.5	1,127	0.2	12,815	5.1
1997–98	6,144	6.0	6,437	9.3	1,049	-6.9	13,631	6.4
1998–99	6,789	10.5	6,413	-0.4	912	-13.1	14,114	3.5
1999–00	6,901	1.6	6,359	-0.8	1,200	31.7	14,460	2.5
2000–01 ^(b)	7,125	3.2	6,448	1.4	1,281	6.7	14,854	2.7
Average annual growth rates								
1990–91 to 1992–93		1.2		-0.7		-4.5		-0.2
1992–93 to 1997–98		3.3		5.8		1.2		4.2
1997–98 to 2000–01		5.1		0.1		6.9		2.9
1990–91 to 2000–01		3.4		2.7		1.7		2.9

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

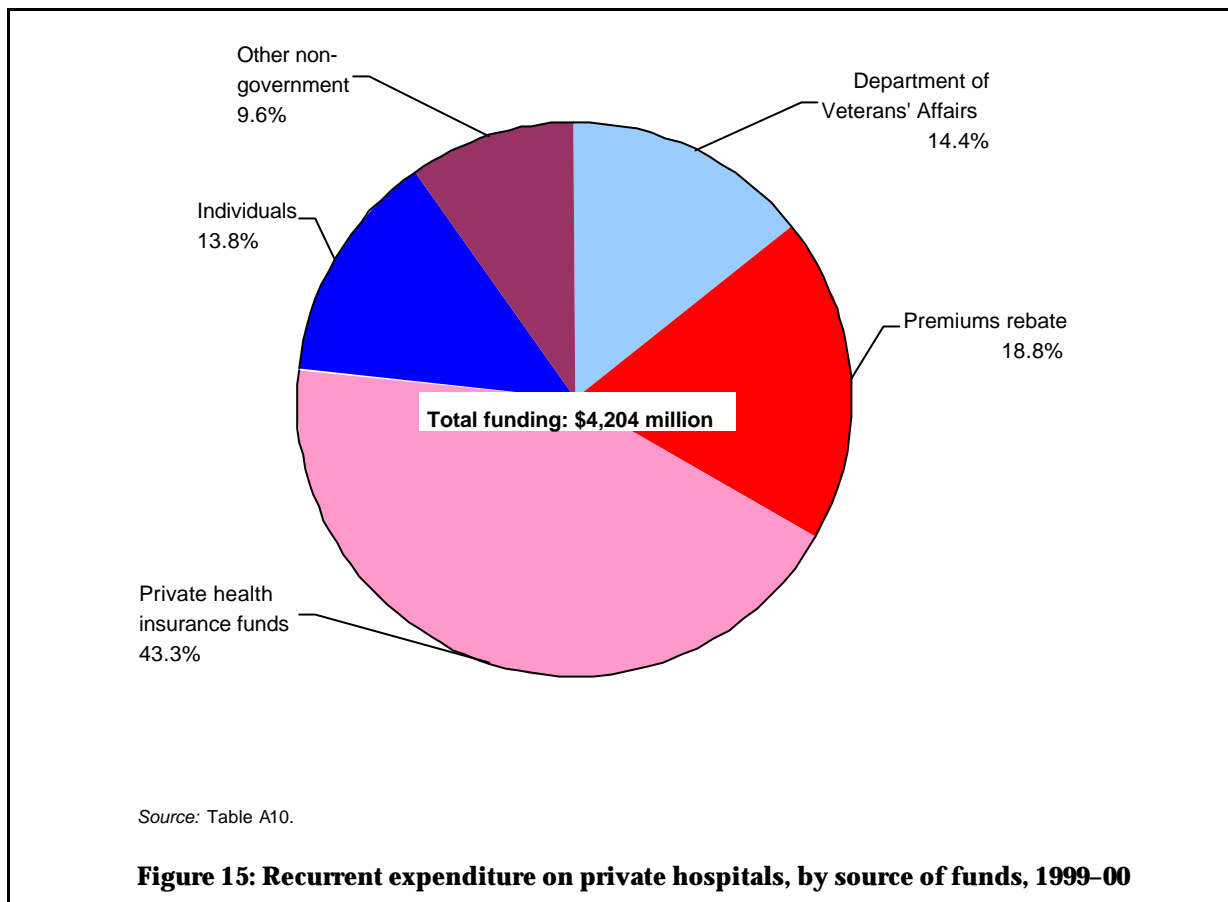
(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.



Private hospitals

During 1999-00 almost two-thirds (62.1%) of all expenditure on private hospitals was funded through private health insurance funds (Figure 15). Of this, 43.3% was the net benefits paid by private health insurance funds and 18.8% was indirectly financed by the Commonwealth Government through its health insurance subsidies. The remaining 37.9% was funded by a combination of out-of-pocket expenditure by individuals (13.8%), payments by DVA (14.4%) and other non-government sources (9.6%).



High-level residential aged care services

People receiving residential aged care are categorised according to the level of care that they require and with which they are provided. Each resident is categorised into one of eight care categories on admission and this categorisation is periodically reviewed. Residents requiring and receiving a level of care that falls within one of the four highest levels of care in residential aged care services are regarded as receiving health care services. Therefore, the associated expenditure is expenditure on high-level residential aged care, which is classified as health services expenditure. All residents whose care needs do not fit within the four highest levels of care are regarded as receiving welfare services and none of the expenditure related to that care is classified as health services expenditure.

Total recurrent expenditure on high-level residential aged care in 1999-00 was \$4,069 million. Of this, the Commonwealth Government funded \$2,921 million, State and local governments funded \$241 million and the non-government sector funded \$907 million (Table A10, page 77).

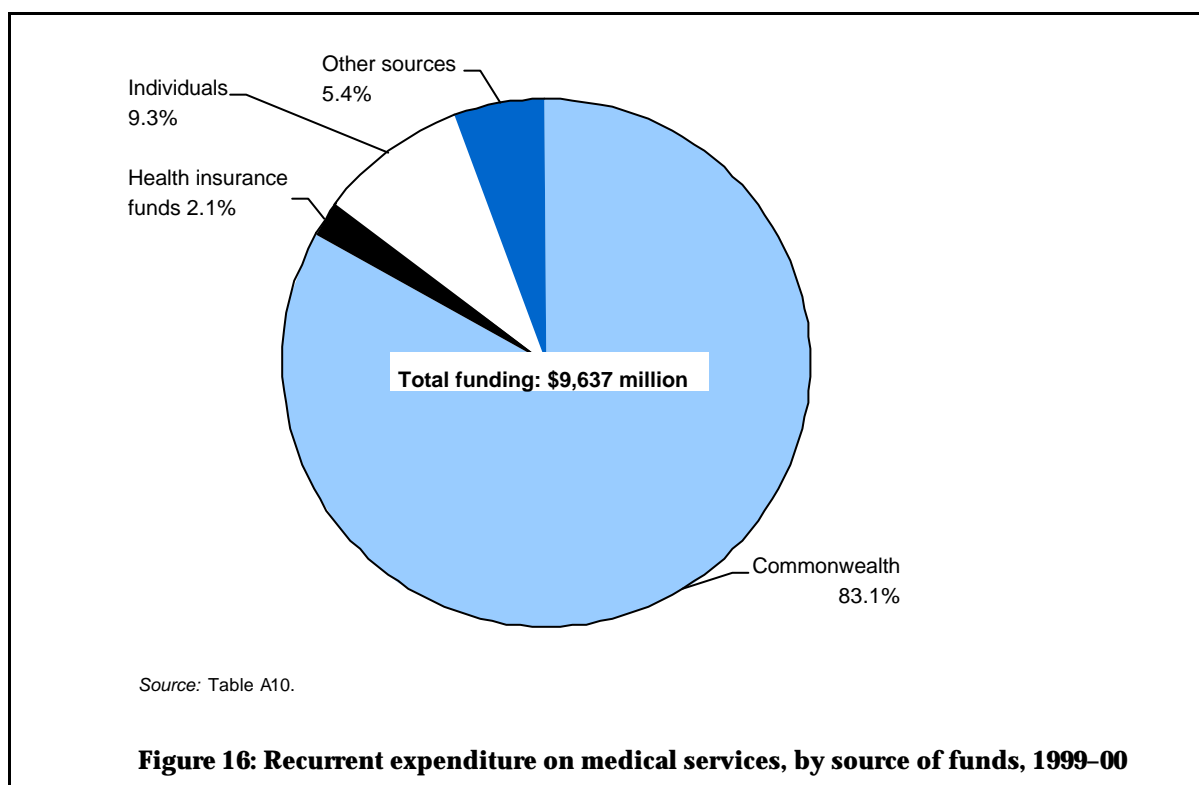
Non-institutional health services

Medical services

Expenditure on medical services does not include the medical care component of hospital care provided to public hospital inpatients. Nor does it include outpatient medical services provided at public hospitals (see discussion of funding for hospitals on page 37).

Over the period from 1990–91 to 1999–00, expenditure on medical services increased, in real terms, at an average of 4.2% per annum (Table 26). After reaching a peak of 6.5% in 1993–94, growth then generally slowed. Between 1998–99 and 1999–00 the rate of growth was 3.4%.

Almost all expenditure on medical services in Australia relates to services that are provided by practitioners on a 'fee-for-service' basis. This is reflected in the distribution of funding for medical services. Of the \$9.6 billion spent on medical services in 1999–00, some 83.1% was funded by the Commonwealth Government (Figure 16). This was made up almost exclusively of medical benefits paid under Medicare, with some funding from DVA for medical services to eligible veterans and their dependants, as well as payments to general practitioners under alternative funding arrangement programs.



Because it provides the bulk of the funding for medical services, the Commonwealth Government's expenditure was the main determinant of growth. However, between 1992–93 and 1993–94, while the Commonwealth's rate of growth accelerated, growth

in overall expenditure on medical services was more moderate due to the slow-down in expenditure by individuals.

Between 1991–92 and 1993–94, there was considerable growth in the direct billing rate for medical services¹. In 1991–92, the rate had been 62.8% of services. That rose to 65.1% in 1992–93 and then to 68.1% in 1993–94.

As Commonwealth government expenditure slowed from 1994–95 to 1996–97, and, to a lesser extent expenditure by health insurance funds also slowed, expenditure by individuals grew more strongly. However, in each of the years between 1997–98 and 1998–99, growth in the Commonwealth Government’s expenditure on medical services accelerated, while expenditure by individuals and health insurance funds grew more slowly or even actually reversed. In these years it was the impact of the Commonwealth’s subsidy to private health insurance that affected growth in its expenditure. This related to ‘in-hospital’ medical services claimed through private health insurance. In each of those years the net contribution of private health insurance funds to the funding of medical services actually fell in real terms.

Table 26: Recurrent funding of medical services, constant prices,^(a) by source of funds, and annual growth rates, 1990–91 to 1999–00

Year	Commonwealth		Individuals		Health insurance funds		Other non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	5,312	..	770	..	208	..	360	..	6,650	..
1991–92	5,530	4.1	801	4.1	216	4.3	304	-15.4	6,852	3.0
1992–93	5,930	7.2	781	-2.5	226	4.5	324	6.5	7,262	6.0
1993–94	6,405	8.0	767	-1.9	232	2.5	332	2.5	7,736	6.5
1994–95	6,782	5.9	794	3.6	239	3.1	412	23.9	8,227	6.3
1995–96	7,108	4.8	830	4.5	245	2.6	433	5.1	8,616	4.7
1996–97 ^(b)	7,199	1.3	878	5.8	246	0.1	470	8.7	8,793	2.1
1997–98 ^(b)	7,421	3.1	964	9.8	230	-6.2	474	0.8	9,090	3.4
1998–99 ^(b)	7,601	2.4	1,002	3.9	219	-5.0	495	4.4	9,317	2.5
1999–00 ^(b)	8,006	5.3	901	-10.1	206	-5.9	524	5.9	9,637	3.4
Average annual growth rates										
1990–91 to 1992–93		5.7		0.7		4.4		-5.1		4.5
1992–93 to 1997–98		4.6		4.3		0.4		7.9		4.6
1997–98 to 1999–00		3.9		-3.3		-5.4		5.2		3.0
1990–91 to 1999–00		4.7		1.8		-0.1		4.3		4.2

(a) Constant price health expenditure for 1990–91 to 1999–00 is expressed in chain volume measures, referenced to the year 1999–00.

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

Source: AIHW health expenditure database.

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

Other professional services

Other professional services grew at an average of 4.6% per year between 1990–91 and 1999–00 (Table A11, page 78). Much of this growth occurred in three years—1996–97, 1998–99 and 1999–00. Expenditure on other professional services is largely funded by individual users of services. In those three periods, expenditure grew, in real terms, by 18.5%, 10.7% and 10.4%, respectively.

Community and public health services

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

In 1999–00 expenditure by State and Territory Governments and by local government authorities totalled \$1.9 billion out of a total of \$2.6 billion spent on community and public health services (Table A10, page 77).

While reliable estimates are not available for earlier years, public health expenditure data for 1999–00 have been collected from each of the jurisdictions using a collection protocol developed through the National public health expenditure project (AIHW 2001b).

Most expenditure on community and public health services is funded by State and Territory Governments and by local government authorities.

Pharmaceuticals and other non-durable health goods

Expenditure recorded in this category includes the cost of drugs and other therapeutic non-durables dispensed to patients within the community, either with or without a prescription by a qualified medical practitioner.

Included in this is expenditure on therapeutic goods of a type that would be sold by pharmacies. These include patent medicines, first aid/wound care products, analgesics, feminine hygiene products, cold sore preparations and a number of complementary health products that are sold in both pharmacies and other retail outlets (for example, supermarkets and health stores). ‘Health foods’, such as bran or malt, are not included.

Total expenditure on pharmaceuticals increased, in real terms, by 7.3%, to \$6,448 million in 1999–00 (Table A11, page 78 and Table A10, page 77). While total expenditure on pharmaceuticals experienced consistent growth between 1990–91 and 1999–00, expenditure on benefit paid items and non-benefit items fluctuated greatly from year to year. This is due to the effects of the co-payment in determining what items attract benefits. The benefit paid items category includes only those items listed on the Pharmaceutical Benefits Schedule (PBS) for which benefits were actually paid.

Items that are listed on the PBS but which have a price that is below the statutory patient co-payment are recorded in the all other pharmaceuticals category.

Benefit paid items

Expenditure on benefit paid pharmaceuticals grew, in real terms, at an average of 10.7% per year from 1990–91 to 2000–01 (Table 27). The period of most rapid growth in expenditure on benefit paid pharmaceuticals was from 1997–98 to 2000–01, when it averaged 13.2% per year, greater than the overall rate of growth in health expenditure. Growth in that period was shared between the Commonwealth (14.3%) and individuals (7.5%).

Table 27: Recurrent expenditure on benefit paid pharmaceuticals, constant prices,^(a) by source of funds, and annual growth rates, 1990–91 to 2000–01

Year	Commonwealth		Individuals		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	1,509	..	271	..	1,780	..
1991–92	1,526	1.1	356	31.5	1,882	5.8
1992–93	1,812	18.7	406	14.0	2,218	17.8
1993–94	2,122	17.1	444	9.4	2,566	15.7
1994–95	2,325	9.6	514	15.7	2,839	10.6
1995–96	2,741	17.9	541	5.1	3,281	15.6
1996–97	2,781	1.5	561	3.8	3,342	1.9
1997–98	2,803	0.8	598	6.5	3,400	1.7
1998–99	3,092	10.3	603	0.8	3,695	8.7
1999–00	3,523	13.9	652	8.2	4,175	13.0
2000–01 ^(b)	4,186	18.8	743	14.0	4,929	18.1
Average annual growth rates						
1990–91 to 1992–93		9.6	22.5		11.6	
1992–93 to 1997–98		9.1	8.0		8.9	
1997–98 to 2000–01		14.3	7.5		13.2	
1990–91 to 2000–01		10.7	10.6		10.7	

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

All other pharmaceuticals

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

Expenditure on other pharmaceutical items grew, in real terms, by an average of 3.8% between 1990–91 and 2000–01 (Table 28). Growth in this, to some extent, mirrors that for benefit paid items. This is largely due to the effect of the PBS patient co-payment threshold and the increased availability of cheaper alternatives to items on the PBS that would have attracted pharmaceutical benefits. The expenditure by the Commonwealth from 1997–98 reflects the Private Health Insurance Rebates.

The major sources of funding for other pharmaceutical items are individuals' out-of-pocket expenditure and ancillary tables provided by private health insurance funds.

Table 28: Recurrent funding of other pharmaceuticals, constant prices,^(a) by source of funds, and annual growth rates, 1990–91 to 2000–01

Year	Commonwealth		State and local governments		Health insurance funds		Individuals and other non-govt		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	1	..	2	..	49	..	1,539	..	1,591	..
1991–92	—	..	—	..	44	-11.1	1,661	7.9	1,704	7.1
1992–93	—	..	—	..	46	5.7	1,618	-2.6	1,664	-2.3
1993–94	—	..	—	..	48	5.2	1,652	2.1	1,700	2.1
1994–95	—	..	2	..	46	-4.3	1,847	11.8	1,895	11.4
1995–96	—	..	12	666.8	48	2.5	1,759	-4.8	1,818	-4.0
1996–97	—	..	11	-4.7	46	-3.5	1,853	5.4	1,910	5.1
1997–98	2	..	16	44.6	35	-24.3	2,166	16.9	2,219	16.2
1998–99	6	198.0	—	..	30	-12.7	2,278	5.1	2,314	4.3
1999–00	12	99.3	—	..	32	4.9	2,229	-2.1	2,273	-1.8
2000–01 ^(b)	14	18.2	—	..	35	10.8	2,264	1.5	2,313	1.8
Average annual growth rates										
1990–91 to 1992–93	..		..		-3.1		2.5		2.3	
1992–93 to 1997–98	..		..		-5.5		6.0		5.9	
1997–98 to 2000–01	91.5		..		0.5		1.5		1.4	
1990–91 to 2000–01	38.6		..		-3.2		3.9		3.8	

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

Aids and appliances

Expenditure on aids and appliances comprises a wide range of medical durable goods such as glasses, hearing aids and other medical devices. This item grew by 15.0%, to \$1,507 million, in 1999–00 (Table A10, page 77) and grew by 7.8% in real terms over the period 1990–91 to 1999–00 (Table A11, page 78). Revisions to ABS Household Final Consumption Expenditure for medicines, aids and appliances resulted in substantial upward revisions to this series (see Chapter 6 'Technical notes').

Research

Expenditure on research includes research undertaken at tertiary institutions, in private non-profit organisations and in government facilities. It does not include commercially oriented research undertaken or commissioned by private business. The costs associated with private business research are assumed to have been included in the prices charged for the goods and services such as pharmaceuticals supported by that research.

Total expenditure on health research in 1999–00 was \$944 million (Table A10, page 77). Estimated expenditure grew, in real terms, at an average of 6.4% per year between 1990–91 and 2000–01 (Table 29).

Most of this (66.2%) was funded by the Commonwealth (Figure 17). State and local governments provided 12.9% of funding for research and a further 20.9% was provided by non-government sources.

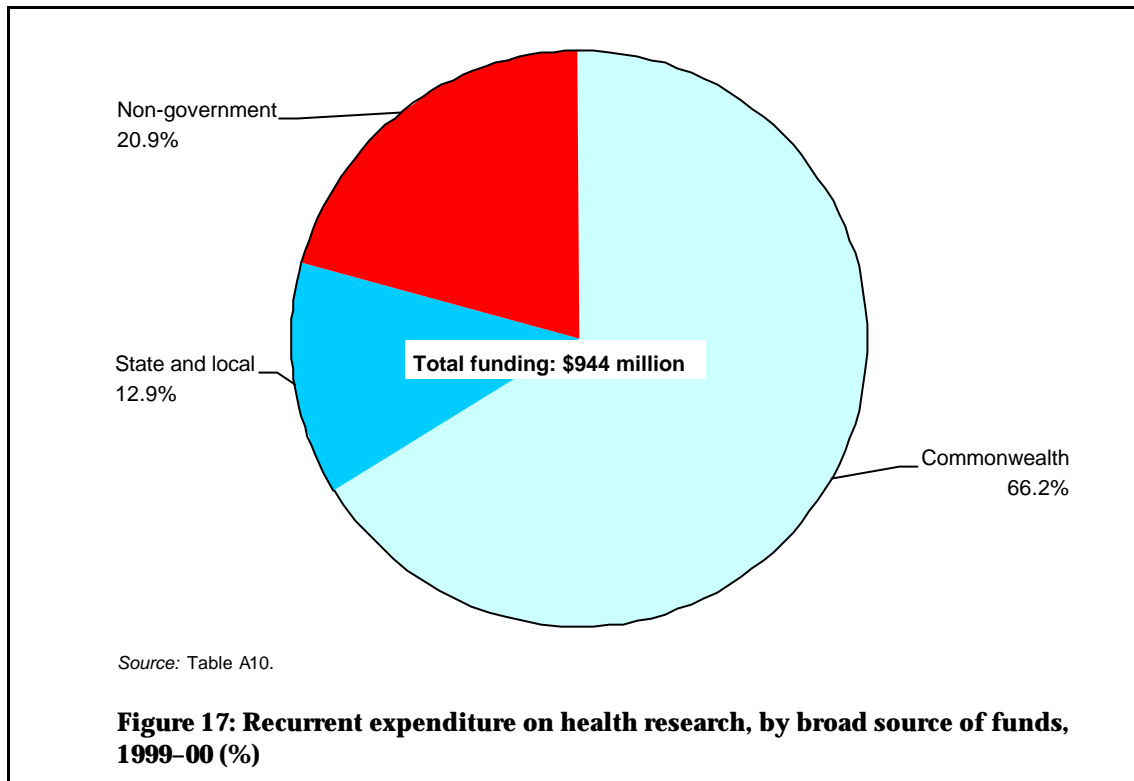


Table 29: Recurrent funding for health research, constant prices,^(a) and annual growth rates, by broad source of funds, 1990–91 to 2000–01

Year	Government							
	Commonwealth		State and local		Non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1990–91	338	..	119	..	64	..	521	..
1991–92	359	6.1	116	-2.5	63	-0.8	538	3.3
1992–93	410	14.4	42	-63.6	86	35.5	538	—
1993–94	435	6.1	66	56.2	98	14.9	600	11.4
1994–95	445	2.2	104	57.6	111	12.8	660	10.0
1995–96	487	9.5	93	-10.7	120	7.8	700	6.0
1996–97	496	1.9	110	17.8	127	6.4	733	4.8
1997–98	452	-8.9	101	-7.6	137	7.5	690	-5.8
1998–99	530	17.2	96	-4.9	126	-7.7	753	9.0
1999–00	625	17.9	122	26.5	197	56.2	944	25.4
2000–01 ^(b)	665	6.4	128	4.9	180	-8.6	973	3.1
Average annual growth rates								
1990–91 to 1992–93		10.2		-40.4		15.9		1.7
1992–93 to 1997–98		2.0		19.1		9.8		5.1
1997–98 to 2000–01		13.7		8.0		9.6		12.1
1990–91 to 2000–01		7.0		0.7		11.0		6.4

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

4.2 Capital formation

Because investments in health facilities and equipment involve large outlays and the lives of such facilities and equipment can be very long (up to fifty years is not uncommon for buildings), capital expenditure fluctuates greatly from year to year (Table 30 and Figure 18). It is, therefore, meaningless to look at average growth rates over a relatively short period like ten years. In 1999–00 capital expenditure on health facilities and investments, in real terms, was \$2,643 million, 4.7% of total health expenditure.

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

State and local governments, on the other hand, spend a lot of their resources on new and replacement capital for government service providers (for example, hospitals and community health facilities). There were particularly high levels of capital

expenditure in Queensland towards the end of the 1990s as some of that State's very old or run-down capital stock was replaced.

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

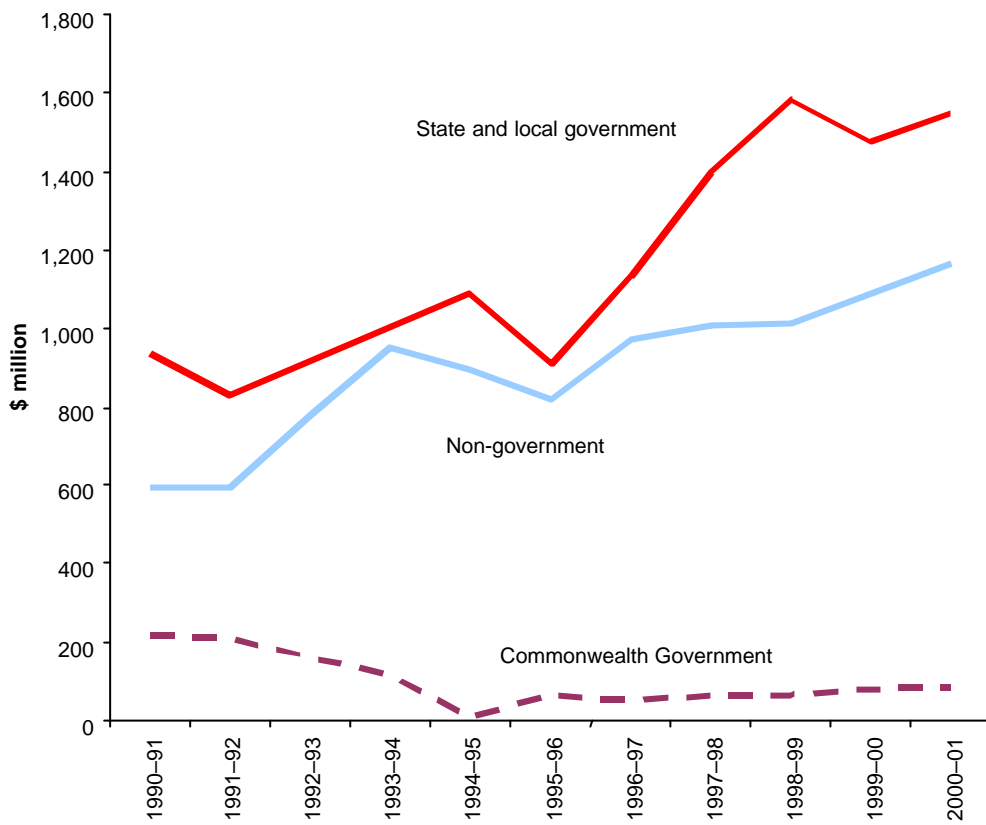
Table 30: Outlays on capital, constant prices,^(a) by source of funds, 1990–91 to 2000–01 (\$ million)

Year	Commonwealth	State and local	Non-government	Total
1990–91	219	938	597	1,754
1991–92	210	830	595	1,635
1992–93	163	916	777	1,856
1993–94	114	1,003	953	2,070
1994–95	9	1,089	894	1,993
1995–96	67	908	821	1,795
1996–97	52	1,132	972	2,156
1997–98	65	1,397	1,006	2,468
1998–99	68	1,580	1,014	2,662
1999–00	79	1,476	1,087	2,643
2000–01 ^(b)	87	1,545	1,166	2,798

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.



(a) Constant price health expenditure for 1990-91 to 2000-01 is expressed in chain volume measures, referenced to the year 1999-00.
 Source: Table 30.

Figure 18: Outlays of capital, constant prices,^(a) by broad source of funds, 1990-91 to 2000-01

4.3 Capital consumption by governments

Estimated capital consumption (depreciation) by governments was \$997 million in 2000–01. This was up from \$934 million in 1999–00 (Table 31).

Table 31: Estimated capital consumption by governments, current and constant^(a) prices and annual growth rates, 1990–91 to 2000–01

Year	Current prices	Constant prices	Real growth (%)
	\$ million		
1990–91	521	631	..
1991–92	497	574	-8.9
1992–93	508	574	-0.1
1993–94	523	583	1.7
1994–95	529	582	-0.2
1995–96	571	570	-2.1
1996–97	531	533	-6.4
1997–98	579	578	8.3
1998–99	853	846	46.6
1999–00	934	934	7.4
2000–01 ^(b)	997	973	7.1

(a) Constant price health expenditure for 1990–91 to 2000–01 is expressed in chain volume measures, referenced to the year 1999–00.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

5 International comparison

This section compares Australia's health expenditure with that of nine other members of the OECD. The countries included in this comparison are Canada, France, Germany, Japan, Netherlands, New Zealand, Sweden, the United Kingdom and the United States of America. The comparison, which looks at the period 1990 to 2000, provides an indication of the relative efforts being undertaken to meet the need for health goods and services and capital formation in countries with similar economic and social structures or with which Australia has important economic and social links. Differences between countries in terms of what is included as 'health expenditure' complicate the comparison to some extent, and caution is therefore necessary when making comparisons. It is also important to acknowledge that there is no definitive relationship between what a country spends on health and the health status of its population.

Table 32: Health expenditure as a proportion of GDP,^(a) Australia and other selected OECD countries, 1990 to 2000 (per cent)

Year ^(b)	Aust	Can	Fra	Ger ^(c)	Jpn	Neth	NZ	Swe	UK	USA	Ten country mean ^(d)	Nine country mean ^(e)	Eight country mean ^(f)
1990	7.9	9.0	8.6	n.a.	5.9	8.0	6.9	8.5	6.0	11.9	^(g) 9.5	^(g) 7.0	^(g) 7.8
1991	8.2	9.7	8.9	n.a.	5.9	8.2	7.4	8.4	6.5	12.6	^(g) 10.0	^(g) 7.2	^(g) 8.2
1992	8.2	10.0	9.1	9.9	6.2	8.4	7.5	8.6	6.9	13.0	10.2	8.0	8.9
1993	8.3	9.8	9.5	9.9	6.4	8.5	7.2	8.6	6.9	13.3	10.5	8.1	9.0
1994	8.3	9.5	9.4	10.2	6.7	8.4	7.2	8.2	7.0	13.2	10.5	8.2	9.0
1995	8.4	9.1	9.6	10.6	7.0	8.4	7.2	8.1	7.0	13.3	10.6	8.4	9.1
1996	8.5	8.9	9.6	10.9	7.0	8.3	7.2	8.4	7.0	13.2	10.6	8.4	9.2
1997	8.6	8.9	9.4	10.7	7.2	8.2	7.5	8.1	6.8	13.0	10.5	8.4	9.0
1998	8.7	9.1	9.3	10.6	7.1	8.1	7.9	7.9	6.8	12.9	10.6	8.4	9.0
1999	8.8	9.2	9.4	10.7	7.4	8.2	7.9	n.a.	7.1	13.0	^(h) 10.7	^(h) 8.6	^(h) 9.1
2000	9.0	9.1	9.5	10.6	7.8	8.1	8.0	n.a.	7.3	13.0	^(h) 10.8	^(h) 8.7	^(h) 9.2
Mean⁽ⁱ⁾	8.5	9.3	9.3	10.4	6.8	8.3	7.5	8.3	6.9	12.9	10.4	8.1	8.9

(a) Some of these ratios have changed since *Health Expenditure Bulletin no. 17* due to changes in the OECD estimates of gross domestic product (GDP).

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

(c) Data for the unified Germany are not available prior to 1992.

(d) Mean weighted by GDP.

(e) Weighted mean excluding the USA.

(f) Weighted mean excluding the USA and Japan.

(g) Excludes Germany in 1990 and 1991.

(h) Excludes Sweden in 1999 and 2000.

(i) Unweighted means for Australia, Canada, France, Japan, Netherlands, New Zealand, the UK, USA and the group means are based on an eleven-year average; Germany and Sweden are based on a nine-year average.

Sources: AIHW health expenditure database; OECD Health Data 2002.

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

When making international comparisons of health expenditure, it is useful to consider the weighted means for the group in order to see where Australia fits in comparison to the group average. The United States and Japan distort the averages for this group of countries due to the size of their economies and populations. For this reason, weighted means, including and excluding these two countries, are used in the international comparisons.

Australia's average of 8.5% over the period 1990–91 to 2000–01 was the fifth highest of the group (Table 32). This was mid-way between the nine-country mean (excluding the United States) and the eight-country mean (excluding the United States and Japan).

Of the ten selected OECD countries, the United States is by far the largest health spender, both in terms of the proportion of GDP and per person expenditure on health. As a proportion of GDP, its expenditure increased from 11.9% in 1990 to 13.0% in 1992, fluctuating around 13.2% and 13.3% between 1993 and 1996 (Table 32), before falling slightly to 12.9% in 1998 and rising to 13.0% in 2000. The average proportion of GDP spent on health by the United States over the whole eleven-year period was 12.9%. Germany, with 10.4%, had the second highest average proportion, followed by Canada and France with 9.3%. The United Kingdom and Japan devoted the smallest proportion of their GDP to health expenditure, averaging 6.9% and 6.8% respectively over the period.

Table 33: Health expenditure per person, Australia and other selected OECD countries, current prices, 1990 to 2000 (A\$)

Year ^(a)	Aust	Can	Fra	Ger ^(b)	Jpn	Neth	NZ	Swe	UK	USA	Ten country mean ^(c)	Nine country mean ^(d)	Eight country mean ^(e)
1990	1,820	2,330	2,109	n.a.	1,505	1,853	1,302	2,074	1,351	3,807	^(f) 2,645	^(f) 1,709	1,843 ^(f)
1991	1,904	2,482	2,262	n.a.	1,596	1,930	1,362	2,000	1,400	4,063	^(f) 2,815	^(f) 1,803	^(f) 1,940
1992	1,996	2,602	2,418	2,562	1,747	2,085	1,462	2,056	1,610	4,362	2,978	2,081	2,236
1993	2,082	2,639	2,460	2,534	1,844	2,129	1,473	2,036	1,616	4,570	3,087	2,122	2,250
1994	2,183	2,669	2,483	2,743	1,955	2,192	1,558	2,019	1,686	4,741	3,220	2,223	2,346
1995	2,313	2,727	2,554	2,921	2,104	2,305	1,605	2,092	1,696	4,777	3,304	2,335	2,440
1996	2,453	2,718	2,596	3,043	2,209	2,363	1,647	2,231	1,849	5,010	3,459	2,433	2,535
1997	2,596	2,835	2,660	3,205	2,380	2,545	1,773	2,301	1,925	5,207	3,621	2,565	2,649
1998	2,743	2,971	2,742	3,276	2,256	2,652	1,885	2,272	1,985	5,431	3,725	2,583	2,732
1999	2,922	3,156	2,894	3,401	2,397	2,824	1,984	n.a.	2,166	5,685	^(g) 3,941	^(g) 2,741	^(g) 2,902
2000	3,153	3,346	3,101	3,627	2,656	2,965	2,142	n.a.	2,327	6,113	^(g) 4,248	^(g) 2,958	^(g) 3,100

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

(b) Data for the unified Germany are not available prior to 1992.

(c) Mean weighted by population.

(d) Weighted mean excluding the USA.

(e) Weighted mean excluding the USA and Japan.

(f) Excludes Germany in 1990 and 1991.

(g) Excludes Sweden in 1999 and 2000.

Note: Expenditures converted to Australian dollar (A\$) values using GDP purchasing power parities.

Sources: AIHW health expenditure database; OECD Health Data 2002.

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

In each year since 1995 except for 2000, Australia had the fifth highest per person expenditure on health, above that of the Netherlands, Japan, Sweden, United Kingdom and New Zealand (Table 33). The average for this group of countries as a whole increased from A\$2,645 in 1990 to A\$3,725 in 1998, an average rate of increase of 4.4% per year. Australia's per person health expenditure in 1998 (that is, 1998–99) of A\$2,743 was below the ten-country mean (A\$3,725) but was marginally higher than the eight-country mean of A\$2,732 (which excludes the United States and Japan). Health expenditure per person by the United States was more than double that of Australia throughout the period 1990 to 1997. In 2000, Australia recorded the fourth highest per person expenditure (A\$3,153) compared with the United States (A\$6,113), followed by Germany (A\$3,627) and Canada with A\$3,346.

Table 34: Components of growth in health expenditure, Australia and other selected OECD countries, 1990 to 2000^(a) (per cent)

	Aust	Can	Fra	Ger ^(b)	Jpn ^(c)	Neth ^(d)	NZ ^(e)	Swe ^(f)	UK ^(d)	USA
Nominal growth in health expenditure	6.9	5.3	4.9	5.2	8.1	6.0	7.6	2.4	6.9	6.4
Health inflation	2.4	1.9	1.4	n.a.	1.5	2.4	3.8	n.a.	4.9	3.6
General inflation	1.7	1.7	1.6	1.4	0.6	2.1	1.7	2.6	3.4	2.2
Excess health inflation	0.6	0.2	-0.1	n.a.	0.8	0.3	2.0	n.a.	1.4	1.5
Real growth in health expenditure	4.4	3.4	3.4	n.a.	6.5	3.5	3.7	n.a.	2.0	2.7
Population growth	1.2	1.0	0.4	0.2	0.3	0.6	1.7	0.4	0.4	1.0
Per person real growth	3.2	2.3	3.0	n.a.	6.2	2.8	2.0	n.a.	1.6	1.7

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

(b) Germany from 1992.

(c) Japan to 1997.

(d) The Netherlands and the UK to 1996.

(e) New Zealand to 1995.

(f) Sweden to 1998.

Sources: AIHW health expenditure database; OECD Health Data 2002.

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

Rates of excess health inflation ranged from a negative rate of -0.1% for France up to 2.0% for New Zealand. Australia had an excess health inflation rate of 0.6%, the fifth highest of the group (Table 34).

In order to compare the level of expenditure without the complication of different rates of population growth, it is useful to examine real growth in average per person expenditure on health. Australia had the second highest average real growth in per person expenditure (3.2%) double that of the United Kingdom and the United States. Australia's relatively modest average real growth in per person expenditure was the result of moderate real growth in total health expenditure (4.4%) coupled with relatively strong population growth (1.2%). In contrast, Japan's high average real growth in per person expenditure was the result of relatively high real growth in total health expenditure (6.5% per year) coupled with a low population growth (0.3% per year).

6 Technical notes

6.1 Methods used to produce estimates

State and Territory expenditure tables

In this edition, health expenditure matrices, which have provided the basis for the calculation of national estimates of health expenditure in all issues of the *Health Expenditure Bulletin* since 1986, have been calculated on a State and Territory as well as a national basis. These State and Territory tables are intended to give some indication of differences in the overall levels of expenditure on health in the States and Territories; they do not necessarily reflect levels of activity by State and Territory Governments. For example, States and Territories pursue a variety of funding arrangements involving inputs from both government and non-government sources. As a result, one State or Territory may have a mixture of services and facilities that is quite different from another. These estimates will enable a State or Territory to monitor the impact of policies on overall expenditure on health provided within its borders.

Where funding data have only been provided on a national basis, the AIHW calculates allocations for those expenditures by State and Territory and by source of funds.

Expenditure by the Commonwealth Government

The bulk of the expenditures by the Commonwealth Government can be readily allocated on a State and Territory basis. These include:

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

However, some Commonwealth Government expenditure data are not available on a State and Territory basis. In those cases, other usage indicators have been used to derive estimates on a State and Territory basis for the data. For example, grants to medical service providers aimed at enhancing or modifying medical practice are allocated according to the proportion of vocationally registered general practitioners in each State or Territory. Expenditures on community and public health that are not part of Specific Purpose Payments (SPPs) to the States and Territories are allocated according to the allocation of similar payments that are part of SPPs.

Expenditure by State and local government authorities

The ABS produces annual estimates of public finance, which form part of the Australian National Accounts. Up to 1996–97, public finance data were reported on a ‘cash’ basis. From 1997–98, reporting is on an ‘accrual’ basis for most jurisdictions. Where States or Territories have not reported on an accrual basis, their cash accounts have been modified to conform with accrual definitions.

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

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

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

In 1998–99, as part of the process for collection of data for a study into expenditure on health goods and services for Aboriginal and Torres Strait Islander people, each of the States and Territories provided detailed expenditure and revenue information for programs for which they have primary responsibility. That information has been extensively checked and verified with the provider departments. Because of the rigorous processes gone through in verifying the accuracy of those data the AIHW has, wherever possible, incorporated them into the State/Territory estimates of health expenditure. This has raised some doubts as to the reliability of previously published estimates for some areas of health expenditure in 1996–97 and 1997–98. As a consequence, there have been some adjustments to the previously published data

for those years (see Section 6.4 'Revisions of definitions and estimates'). The States and Territories again supplied data in this format for 1999–00.

It should also be noted that the estimates of expenditure on public hospitals in this publication reflect the level of expenditure on goods and services provided within hospitals, including those community and public health services that are operated by public hospitals. The estimate of community and public health services includes only expenditure on community and public health services that is not included as part of the gross operating expenditures of public hospitals. This complicates State-by-State comparisons as far as expenditure on those services is concerned, because the proportion of community and public health services carried out by hospitals varies from State to State.

Expenditure by the non-government sector

Non-government sector expenditure is split into three columns in the various State matrices. These are health insurance funds, individuals and other non-government sources.

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

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

6.2 Definitions, sources and notes

General

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

However, the data used in constructing expenditure estimates for the different sources of funds (for example, benefits paid by private health insurance funds) are the reported cash outlays of those sources of funds in each year. Those cash outlays

do not necessarily relate to expenditures incurred in the year in which they are reported.

This means that, if a funding source reported cash outlays on a particular area of expenditure in one year, which really related to expenses incurred in the previous year, the contribution of that source of funding would be overstated in one year and understated in the previous year. As a further consequence, the contribution of the major source of funding related to that area of expenditure would be understated in one year and overstated in the previous year.

The AIHW collects information for estimates of health expenditure from a wide range of sources. The ABS, the Commonwealth Department of Health and Ageing, and State and Territory health authorities provided most of the basic data used in this publication. Other major data sources include DVA, the Private Health Insurance Administration Council, Comcare and the major workers' compensation and compulsory motor vehicle third-party insurers in each State and Territory.

The term 'public (non-psychiatric) hospital' is used in this bulletin to refer to those hospitals operated by, or on behalf of, State and Territory Governments that provide a range of general hospital services. They are, essentially, those hospitals that were included as recognised public hospitals for the purposes of the Commonwealth and State Medicare agreements.

The 'Medical services' category in Appendix Tables A1–A12 and B1–B32 covers medical services provided on a fee-for-service basis, including medical services provided to private patients in hospitals. It also includes some expenditure on private medical services that is not based on a fee for service. However, it does not include expenditure on medical salaries or visiting medical officers at public hospitals.

The 'Commonwealth' column in Appendix Tables A1–A10 includes expenditure by DVA on behalf of eligible veterans and their dependants.

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

Box 1: Periods relating to OECD year 2000

Country	Financial year
<i>Australia</i>	<i>1 July 2000 to 30 June 2001</i>
<i>Canada</i>	<i>1 April 2000 to 31 March 2001</i>
<i>France</i>	<i>1 January 2000 to 31 December 2000</i>
<i>Germany</i>	<i>1 January 2000 to 31 December 2000</i>
<i>Japan</i>	<i>1 April 2000 to 31 March 2001</i>
<i>Netherlands</i>	<i>1 January 2000 to 31 December 2000</i>
<i>New Zealand</i>	<i>1 July 2000 to 30 June 2001</i>
<i>Sweden</i>	<i>1 January 2000 to 31 December 2000</i>
<i>United Kingdom</i>	<i>1 April 2000 to 31 March 2001</i>
<i>United States</i>	<i>1 October 1999 to 30 September 2000</i>

For the ten countries included in the international comparison of health expenditure (see Table 32–Table 34), the OECD financial year 2000 refers to the periods listed in Box 1.

Definition of health expenditure

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

The Institute's definition of health expenditure follows closely the definitions and concepts provided by the OECD's *System of Health Accounts* (OECD 2000) framework. It does not include:

- expenditure that may have a 'health' outcome but which is undertaken outside the health sector, such as expenditure on building safer transport systems or removing lead from petrol or the education of health professionals;
- 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 national benefit.

6.3 Deflators

Deflation of current price estimates of health expenditure to constant prices indicates changes in the volumes of particular health goods, services and capital formation. These measures are expressed in dollar values, using the values of the reference year

(in this publication, 1999–00). The process is undertaken using a number of input price deflators, either chain price indexes or implicit price deflators (IPDs). The major indexes used in deriving constant price estimates in this publication are listed in Table 35. All indexes are sourced from the ABS except for the IPD, total health price index, which is an Institute-derived measure.

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

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

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

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

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

Table 35: Total health price index and industry-wide indexes (reference year 1999–00 = 100), 1990–91 to 2000–01

Year ended 30 June	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total health price index	82.3	86.1	88.0	88.7	89.6	91.7	93.7	95.5	97.5	100.0	103.9
Final consumption expenditure (FCE) by governments											
Hospital/nursing home care	84.7	86.9	87.8	88.6	90.1	91.9	93.5	95.2	97.8	100.0	103.4
Total, non-defence FCE	82.6	86.5	88.5	89.1	89.7	91.2	93.1	94.6	96.5	100.0	103.6
Final consumption expenditure (FCE) by households											
Doctors and other health professionals	65.7	68.5	68.5	71.7	78.6	84.2	88.6	94.6	96.9	100.0	106.7
Dental services	68.0	72.0	74.5	77.7	81.2	84.9	88.4	91.9	94.9	100.0	105.5
Medicines/aids and appliances	80.6	84.6	85.1	87.0	90.9	93.5	97.5	99.2	99.3	100.0	104.0
Total health FCE	72.2	75.0	75.8	77.5	80.8	85.1	90.8	95.5	97.0	100.0	105.4
Gross fixed capital expenditure											
Commonwealth	134.1	129.4	126.3	124.2	120.4	117.9	111.7	107.9	104.9	100.0	99.8
State and local	96.5	96.5	96.8	97.6	98.6	100.2	99.4	100.1	100.6	100.0	102.2
Private capital	100.2	99.1	100.3	101.8	101.9	101.8	99.4	98.9	99.5	100.0	104.3
Gross domestic product	88.0	89.7	90.7	91.6	92.8	95.0	96.6	97.9	98.0	100.0	104.8

6.4 Revisions of definitions and estimates

Definitions

‘High-level residential aged care’ refers to services of a type that were formerly provided to patients in nursing homes.

Facilities that were formerly classified as nursing homes are now incorporated into the new class of facility known as ‘residential aged care facilities’. Aged persons’ hostels are also included in this new class of facilities, as are aged persons’ complexes.

Residents in such facilities are classified according to the level of care that they need and receive. There are eight care level categories and residents who are classified into the four highest categories are considered to be receiving ‘health care’. The expenditure associated with that care is included as high-level residential aged care.

Estimates

Some estimates of recurrent health expenditure have been revised since the publication of *Health Expenditure Bulletin No. 17 (HEB17)*. The major revisions relate to expenditure on aids and appliances.

The estimate of total expenditure on health for 1996–97 was revised upwards from \$44,851 million to \$45,195 million, an increase of \$344 million. The 1997–98 estimate was revised upwards by \$712 million from \$47,648 million to \$48,360 million. The 1998–99 estimate was revised from \$51,011 million to \$51,680 million, an increase of \$669 million.

Aids and appliances

1996–97 estimates

Since the publication of *HEB17*, the national estimate for expenditure on aids and appliances has increased by \$315 million. This takes it from \$842 million to \$1,157 million. This is because the ABS revised its estimates of household final consumption expenditure (HFCE) for medicines, aids and appliances substantially due to the establishment of a new benchmark based on the 1998–99 detailed retail industry survey. The previous HFCE series were based on an extrapolation of the old retail trade survey of 1991–92 using indicators based on subsequent monthly retail trade data between 1991–92 and 1998–99. The new survey includes cash purchases not within the scope of existing collections. Also, at the macroeconomic level, there are a number of factors affecting volume and price and hence the values over time. As the population ages there is a greater demand for, and with technological advance, supply of, an ever-increasing range of aids and appliances. The low value of the Australian dollar has served to increase the price of imported medical devices, which are underpinned by rising prices as a result of research and development costs associated with technological advances.

1997–98 estimates

The 1997–98 national estimate was increased by \$395 million, from \$823 million to \$1,218 million, because of ABS revisions to HFCE benchmarks.

1998–99 estimates

Expenditure on aids and appliances was revised upwards by \$676 million due to ABS revisions, from \$634 million to \$1,310 million.

High-level residential aged care

1997–98 estimates

Estimates of high-level residential aged care were revised from \$3,536 million to \$3,486 million because of revisions to State data.

1998–99 estimates

The 1998–99 national estimate was revised from \$4,066 million in *HEB17* to \$3,696 million because DVA payments of \$300 million to the (then) Department of Health and Aged Care for high-level residential aged care were not deducted from the latter's expenditure.

Appendix A: National health expenditure matrices, 1990–91 to 1999–00

Table A1: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1990–91	68
Table A2: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1991–92	69
Table A3: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1992–93	70
Table A4: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1993–94	71
Table A5: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1994–95	72
Table A6: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1995–96	73
Table A7: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1996–97	74
Table A8: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1997–98	75
Table A9: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1998–99	76
Table A10: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1999–00	77
Table A11: Annual growth in health expenditure, constant prices, Australia, by areas of expenditure, 1990–91 to 1999–00	78
Table A12: Proportions of recurrent health expenditure, current prices, Australia, by areas of expenditure, 1990–91 to 1999–00	79

Table A1: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1990–91 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	4,307	4,590	8,897	2,012	360	475	2,848	11,745
Recognised public hospitals	3,711	4,066	7,777	551	—	335	886	8,663
Private hospitals	86	—	86	1,451	339	132	1,922	2,008
Repatriation hospitals	494	—	494	10	—	8	18	512
Public psychiatric hospitals	17	524	540	—	21	1	22	562
High-level residential aged care	1,657	305	1,962	—	563	3	566	2,529
Ambulance	38	204	242	63	89	19	171	413
Other institutional (nec)	64	—	64	—	—	—	—	64
<i>Total institutional</i>	<i>6,066</i>	<i>5,100</i>	<i>11,166</i>	<i>2,075</i>	<i>1,013</i>	<i>497</i>	<i>3,585</i>	<i>14,751</i>
Medical services	4,384	—	4,384	173	636	297	1,107	5,491
Other professional services	138	—	138	156	703	159	1,018	1,157
Total pharmaceuticals	1,245	2	1,247	39	1,483	13	1,535	2,782
Benefit paid pharmaceuticals	1,245	—	1,245	—	224	—	224	1,468
All other pharmaceuticals	—	2	2	39	1,259	13	1,311	1,313
Aids and appliances	60	—	60	153	403	13	570	630
Other non-institutional services ^(c)	714	1,510	2,224	916	887	30	1,832	4,056
Community and public health ^(d)	307	1,051	1,358	1	—	14	15	1,373
Dental services	33	117	149	503	887	16	1,406	1,556
Administration	374	342	716	411	—	—	411	1,128
Research ^(e)	279	98	378	—	—	53	53	431
<i>Total non-institutional</i>	<i>6,821</i>	<i>1,610</i>	<i>8,431</i>	<i>1,437</i>	<i>4,113</i>	<i>565</i>	<i>6,115</i>	<i>14,546</i>
Total recurrent expenditure	12,887	6,709	19,597	3,512	5,126	1,063	9,700	29,297
Capital expenditure	181	775	956	n.a.	n.a.	n.a.	^(f) 493	1,449
Capital consumption	47	474	521	..	..	..	^(g) ..	521
Direct health expenditure	13,115	7,958	21,074	n.a.	n.a.	n.a.	10,193	31,267
Non-specific tax expenditure	85	..	85	..	-85	..	-85	—
Total health expenditure	13,200	7,958	21,158	3,512	5,041	1,556	10,109	31,267

Notes: See page 80.

Table A2: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1991–92 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Commonwealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	4,487	4,869	9,356	2,200	366	458	3,025	12,381
Recognised public hospitals	3,866	4,339	8,205	554	—	299	853	9,058
Private hospitals	107	—	107	1,635	346	143	2,124	2,232
Repatriation hospitals	499	—	499	11	—	16	27	526
Public psychiatric hospitals	15	530	545	—	20	1	21	565
High-level residential aged care	1,707	305	2,013	—	601	3	605	2,617
Ambulance	43	217	260	71	100	18	189	449
Other institutional (nec)	70	—	70	—	—	—	—	70
<i>Total institutional</i>	<i>6,308</i>	<i>5,391</i>	<i>11,699</i>	<i>2,271</i>	<i>1,067</i>	<i>480</i>	<i>3,818</i>	<i>15,517</i>
Medical services	4,781	—	4,781	190	693	263	1,146	5,928
Other professional services	151	—	151	168	711	132	1,011	1,162
Total pharmaceuticals	1,319	—	1,319	37	1,731	14	1,782	3,101
Benefit paid pharmaceuticals	1,319	—	1,319	—	308	—	308	1,627
All other pharmaceuticals	—	—	—	37	1,423	14	1,474	1,474
Aids and appliances	90	—	90	162	463	18	642	732
Other non-institutional services ^(c)	899	1,475	2,374	968	957	5	1,931	4,305
Community and public health ^(d)	382	987	1,370	1	—	2	3	1,372
Dental services	37	127	164	528	957	4	1,488	1,652
Administration	480	360	841	439	—	—	439	1,280
Research ^(e)	310	101	411	—	—	55	55	466
<i>Total non-institutional</i>	<i>7,551</i>	<i>1,576</i>	<i>9,127</i>	<i>1,525</i>	<i>4,555</i>	<i>487</i>	<i>6,567</i>	<i>15,693</i>
Total recurrent expenditure	13,859	6,967	20,826	3,796	5,622	967	10,385	31,211
Capital expenditure	182	718	900	n.a.	n.a.	n.a.	^(f) 515	1,415
Capital consumption	44	453	497	..	..	..	^(g) ..	497
Direct health expenditure	14,085	8,138	22,223	n.a.	n.a.	n.a.	10,900	33,123
Non-specific tax expenditure	82	..	82	..	-82	..	-82	—
Total health expenditure	14,167	8,138	22,305	3,796	5,540	1,482	10,818	33,123

Notes: See page 80.

Table A3: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1992–93 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	4,750	4,772	9,523	2,320	363	465	3,148	12,670
Recognised public hospitals	4,140	4,291	8,432	543	—	301	844	9,276
Private hospitals	122	—	122	1,764	347	150	2,262	2,384
Repatriation hospitals	474	—	474	13	—	12	25	499
Public psychiatric hospitals	14	481	495	—	16	1	17	512
High-level residential aged care	1,788	288	2,076	—	569	4	573	2,648
Ambulance	38	233	272	75	107	19	201	473
Other institutional (nec)	71	—	71	—	—	—	—	71
<i>Total institutional</i>	<i>6,648</i>	<i>5,293</i>	<i>11,941</i>	<i>2,395</i>	<i>1,038</i>	<i>488</i>	<i>3,921</i>	<i>15,862</i>
Medical services	5,241	—	5,241	202	692	287	1,181	6,422
Other professional services	160	—	160	178	727	141	1,047	1,207
Total pharmaceuticals	1,601	—	1,601	39	1,774	18	1,831	3,432
Benefit paid pharmaceuticals	1,601	—	1,601	—	360	—	360	1,960
All other pharmaceuticals	—	—	—	39	1,415	18	1,471	1,471
Aids and appliances	97	—	97	166	535	27	728	825
Other non-institutional services ^(c)	905	1,595	2,499	997	1,220	7	2,224	4,723
Community and public health ^(d)	395	1,213	1,608	1	—	2	3	1,611
Dental services	38	146	184	535	1,220	6	1,760	1,944
Administration	472	236	708	461	—	—	461	1,168
Research ^(e)	363	37	401	—	—	76	76	477
<i>Total non-institutional</i>	<i>8,367</i>	<i>1,632</i>	<i>9,999</i>	<i>1,583</i>	<i>4,948</i>	<i>555</i>	<i>7,087</i>	<i>17,085</i>
Total recurrent expenditure	15,014	6,925	21,940	3,979	5,986	1,043	11,008	32,947
Capital expenditure	144	811	955	n.a.	n.a.	n.a.	^(f) 688	1,643
Capital consumption	42	466	508	..	..	..	^(g) ..	508
Direct health expenditure	15,200	8,202	23,403	n.a.	n.a.	n.a.	11,696	35,098
Non-specific tax expenditure	91	..	91	..	-91	..	-91	—
Total health expenditure	15,291	8,202	23,494	3,979	5,895	1,731	11,605	35,098

Notes: See page 80.

Table A4: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1993–94 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,250	4,331	9,580	2,365	391	640	3,397	12,977
Recognised public hospitals	4,719	3,871	8,590	494	—	477	971	9,561
Private hospitals	168	—	168	1,866	373	162	2,400	2,568
Repatriation hospitals	352	—	352	5	—	—	5	357
Public psychiatric hospitals	11	460	471	—	18	2	20	491
High-level residential aged care	1,773	267	2,041	—	627	—	627	2,667
Ambulance	37	223	260	82	118	19	219	479
Other institutional (nec)	119	—	119	—	—	—	—	119
<i>Total institutional</i>	<i>7,179</i>	<i>4,821</i>	<i>12,000</i>	<i>2,447</i>	<i>1,136</i>	<i>660</i>	<i>4,243</i>	<i>16,243</i>
Medical services	5,700	—	5,700	208	683	296	1,187	6,886
Other professional services	165	—	165	188	753	138	1,079	1,244
Total pharmaceuticals	1,888	—	1,888	42	1,847	20	1,909	3,797
Benefit paid pharmaceuticals	1,888	—	1,888	—	396	—	396	2,284
All other pharmaceuticals	—	—	—	42	1,452	20	1,513	1,513
Aids and appliances	137	—	137	168	635	29	833	970
Other non-institutional services ^(c)	990	1,607	2,598	1,022	1,312	9	2,342	4,940
Community and public health ^(d)	489	1,295	1,784	1	—	2	3	1,787
Dental services	58	137	194	539	1,312	6	1,857	2,051
Administration	444	176	620	482	—	—	482	1,102
Research ^(e)	388	59	447	—	—	88	88	534
<i>Total non-institutional</i>	<i>9,268</i>	<i>1,666</i>	<i>10,935</i>	<i>1,628</i>	<i>5,231</i>	<i>579</i>	<i>7,437</i>	<i>18,372</i>
Total recurrent expenditure	16,447	6,488	22,935	4,075	6,367	1,238	11,680	34,615
Capital expenditure	99	899	998	n.a.	n.a.	n.a.	^(f) 854	1,852
Capital consumption	42	481	523	..	..	..	^(g) ..	523
Direct health expenditure	16,588	7,868	24,456	n.a.	n.a.	n.a.	12,534	36,990
Non-specific tax expenditure	95	..	95	..	-95	..	-95	—
Total health expenditure	16,683	7,868	24,550	4,075	6,272	2,092	12,440	36,990

Notes: See page 80.

Table A5: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1994–95 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,426	4,716	10,142	2,440	444	740	3,624	13,766
Recognised public hospitals	4,947	4,263	9,210	433	—	543	976	10,187
Private hospitals	240	—	240	2,004	437	185	2,625	2,865
Repatriation hospitals	233	—	233	3	—	—	3	236
Public psychiatric hospitals	6	452	459	—	8	12	20	478
High-level residential aged care	1,860	243	2,102	—	640	—	640	2,743
Ambulance	43	214	257	87	74	33	194	451
Other institutional (nec)	128	—	128	—	—	—	—	128
<i>Total institutional</i>	<i>7,456</i>	<i>5,172</i>	<i>12,628</i>	<i>2,527</i>	<i>1,158</i>	<i>773</i>	<i>4,458</i>	<i>17,086</i>
Medical services	6,086	—	6,086	216	712	369	1,297	7,383
Other professional services	171	—	171	205	752	185	1,142	1,313
Total pharmaceuticals	2,086	1	2,087	42	2,091	26	2,159	4,246
Benefit paid pharmaceuticals	2,086	—	2,086	—	461	—	461	2,547
All other pharmaceuticals	—	1	1	42	1,630	26	1,698	1,699
Aids and appliances	147	—	147	169	686	25	880	1,026
Other non-institutional services ^(c)	1,083	1,697	2,780	1,043	1,394	11	2,448	5,228
Community and public health ^(d)	493	1,223	1,716	1	—	3	4	1,720
Dental services	105	126	230	546	1,394	8	1,949	2,179
Administration	486	348	834	495	—	—	495	1,329
Research ^(e)	399	93	492	—	—	100	100	592
<i>Total non-institutional</i>	<i>9,971</i>	<i>1,792</i>	<i>11,763</i>	<i>1,674</i>	<i>5,635</i>	<i>716</i>	<i>8,026</i>	<i>19,789</i>
Total recurrent expenditure	17,428	6,964	24,392	4,201	6,793	1,490	12,484	36,875
Capital expenditure	9	990	999	n.a.	n.a.	n.a.	^(f) 813	1,812
Capital consumption	23	506	529	..	..	..	^(g) ..	529
Direct health expenditure	17,459	8,460	25,919	n.a.	n.a.	n.a.	13,297	39,216
Non-specific tax expenditure	91	..	91	..	-91	..	-91	—
Total health expenditure	17,551	8,460	26,010	4,201	6,702	2,303	13,205	39,216

Notes: See page 80.

Table A6: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1995–96 (\$ million)

Area of expenditure	Government sector			Non-government sector			Total	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
Total hospitals	5,580	5,274	10,853	2,611	306	1,012	3,929	14,782
Recognised public hospitals	5,262	4,843	10,105	380	—	645	1,025	11,131
Private hospitals	295	—	295	2,231	293	364	2,888	3,183
Repatriation hospitals	16	—	16	—	—	—	—	16
Public psychiatric hospitals	7	430	437	—	13	3	15	452
High-level residential aged care	2,055	223	2,277	—	677	—	677	2,954
Ambulance	41	232	274	91	116	33	239	513
Other institutional (nec)	140	—	140	—	—	—	—	140
<i>Total institutional</i>	<i>7,816</i>	<i>5,728</i>	<i>13,544</i>	<i>2,702</i>	<i>1,098</i>	<i>1,045</i>	<i>4,845</i>	<i>18,389</i>
Medical services	6,497	—	6,497	223	757	395	1,375	7,872
Other professional services	195	—	195	215	758	182	1,155	1,350
Total pharmaceuticals	2,504	11	2,515	44	2,063	35	2,142	4,657
Benefit paid pharmaceuticals	2,504	—	2,504	—	493	—	493	2,997
All other pharmaceuticals	—	11	11	44	1,569	35	1,649	1,660
Aids and appliances	148	—	148	172	737	32	941	1,088
Other non-institutional services ^(c)	1,190	1,980	3,170	1,069	1,444	12	2,525	5,695
Community and public health ^(d)	554	1,452	2,006	2	—	3	4	2,010
Dental services	152	205	356	564	1,444	10	2,017	2,373
Administration	484	323	808	504	—	—	504	1,311
Research	444	85	529	—	—	109	109	638
<i>Total non-institutional</i>	<i>10,978</i>	<i>2,075</i>	<i>13,053</i>	<i>1,724</i>	<i>5,758</i>	<i>765</i>	<i>8,247</i>	<i>21,300</i>
Total recurrent expenditure	18,794	7,804	26,598	4,426	6,856	1,810	13,092	39,689
Capital expenditure	80	903	983	n.a.	n.a.	n.a.	^(f) 839	1,822
Capital consumption	18	553	571	..	..	..	^(g) ..	571
Direct health expenditure	18,892	9,260	28,152	n.a.	n.a.	n.a.	13,930	42,082
Non-specific tax expenditure	105	..	105	..	-105	..	-105	—
Total health expenditure	18,997	9,260	28,257	4,426	6,751	2,649	13,825	42,082

Notes: See page 80.

Table A7: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,778	5,869	11,646	2,797	402	1,009	4,208	15,854
Recognised public hospitals	5,398	5,490	10,888	360	100	588	1,048	11,936
Private hospitals	354	—	354	2,437	288	415	3,139	3,493
Repatriation hospitals	16	—	16	—	—	—	1	16
Public psychiatric hospitals	9	379	388	—	14	6	20	408
High-level residential aged care	2,298	177	2,475	—	699	7	706	3,181
Ambulance	46	210	256	93	126	33	252	509
<i>Total institutional</i>	<i>8,121</i>	<i>6,256</i>	<i>14,377</i>	<i>2,890</i>	<i>1,227</i>	<i>1,049</i>	<i>5,166</i>	<i>19,543</i>
Medical services	6,713	—	6,713	229	818	438	1,485	8,198
Other professional services	203	—	203	225	989	191	1,405	1,608
Total pharmaceuticals	2,718	11	2,729	44	2,320	37	2,402	5,131
Benefit paid pharmaceuticals	2,718	—	2,718	—	550	—	550	3,268
All other pharmaceuticals	—	11	11	44	1,771	37	1,853	1,864
Aids and appliances	154	—	154	184	782	37	1,003	1,157
Other non-institutional services ^(c)	1,226	2,274	3,501	1,128	1,551	12	2,691	6,191
Community and public health ^(d)	708	1,658	2,367	1	—	3	4	2,370
Dental services	97	297	394	596	1,551	9	2,157	2,551
Administration	421	319	740	530	—	—	530	1,271
Research	462	102	565	—	—	119	119	683
<i>Total non-institutional</i>	<i>11,477</i>	<i>2,388</i>	<i>13,864</i>	<i>1,810</i>	<i>6,460</i>	<i>834</i>	<i>9,104</i>	<i>22,969</i>
Total recurrent expenditure	19,598	8,643	28,242	4,700	7,687	1,883	14,270	42,512
Capital expenditure	58	1,122	1,180	n.a.	n.a.	n.a.	^(f) 972	2,152
Capital consumption	25	506	531	..	..	..	^(g) ..	531
Direct health expenditure	19,681	10,271	29,952	n.a.	n.a.	n.a.	15,243	45,195
Non-specific tax expenditure	125	..	125	..	-125	..	-125	—
Total health expenditure	19,806	10,271	30,077	4,700	7,562	2,856	15,118	45,195

Notes: See page 80.

Table A8: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government					Non-government sources						
	Commonwealth			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates	Total			Gross	Premium rebates	Net	Individuals	Other ^(b)	Total	Total
Total hospitals	6,247	147	6,394	6,469	12,863	2,748	147	2,601	428	1,095	4,124	16,987
Public (non-psychiatric) hospitals	5,820	17	5,837	6,116	11,953	329	17	311	89	596	996	12,949
Public psychiatric hospitals	7	—	7	353	360	—	—	—	13	6	19	379
Private hospitals	420	130	550	—	550	2,419	130	2,289	327	493	3,109	3,659
High-level residential aged care	2,581	—	2,581	157	2,738	—	—	—	744	4	748	3,486
Ambulance	84	6	90	281	370	112	6	106	129	38	273	643
<i>Total institutional</i>	<i>8,912</i>	<i>153</i>	<i>9,065</i>	<i>6,906</i>	<i>15,971</i>	<i>2,860</i>	<i>153</i>	<i>2,707</i>	<i>1,301</i>	<i>1,137</i>	<i>5,145</i>	<i>21,116</i>
Medical services	6,957	14	6,970	—	6,970	230	14	217	905	445	1,567	8,537
Other professional services	207	12	219	—	219	226	12	214	1,053	173	1,441	1,660
Total pharmaceuticals	2,783	2	2,785	16	2,801	36	2	34	2,708	37	2,780	5,581
Benefit paid pharmaceuticals	2,783	—	2,783	—	2,783	—	—	—	593	—	593	3,377
All other pharmaceuticals	—	2	2	16	18	36	2	34	2,115	37	2,186	2,204
Aids and appliances	164	10	174	—	174	187	10	177	830	38	1,044	1,218
Other non-institutional services ^(c)	1,348	61	1,409	2,445	3,854	1,141	61	1,080	1,611	8	2,699	6,553
Community and public health ^(d)	804	—	804	1,717	2,520	1	—	1	—	—	1	2,521
Dental services	44	32	76	328	404	600	32	568	1,611	8	2,187	2,591
Administration	500	29	529	401	930	540	29	511	—	—	511	1,441
Research	427	—	427	96	523	—	—	—	—	129	129	652
<i>Total non-institutional</i>	<i>11,886</i>	<i>99</i>	<i>11,985</i>	<i>2,557</i>	<i>14,542</i>	<i>1,820</i>	<i>99</i>	<i>1,721</i>	<i>7,107</i>	<i>831</i>	<i>9,659</i>	<i>24,201</i>
Total recurrent expenditure	20,798	252	21,049	9,463	30,513	4,680	252	4,428	8,409	1,967	14,804	45,317
Capital outlays	70	—	70	1,400	1,470	n.a.	n.a.	n.a.	n.a.	n.a.	^(f) 994	2,464
Capital consumption	34	—	34	546	579	..	..	..	..	..	^(g) ..	579
<i>Total capital</i>	<i>104</i>	<i>—</i>	<i>104</i>	<i>1,946</i>	<i>2,049</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>994</i>	<i>3,043</i>
Direct health expenditure	20,902	252	21,153	11,409	32,562	n.a.	n.a.	n.a.	n.a.	n.a.	15,798	48,360
Non-specific tax expenditure	290	..	290	..	290	..	..	..	-290	..	-290	—
Total health expenditure	21,192	252	21,443	11,409	32,852	n.a.	n.a.	n.a.	n.a.	n.a.	15,508	48,360

Notes: See page 80.

Table A9: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government					Non-government sources						
	Commonwealth			State & local	Total	Private health insurance funds				Other ^(b)	Total	Total
	Direct outlays	Premium rebates	Total			Gross	Premium rebates	Net	Individuals			
Total hospitals	7,101	454	7,555	6,638	14,193	2,813	454	2,358	664	938	3,960	18,154
Public (non-psychiatric) hospitals	6,591	47	6,638	6,269	12,906	289	47	242	288	361	891	13,798
Public psychiatric hospitals	7	—	7	369	376	—	—	—	9	13	21	397
Private hospitals	503	408	911	—	911	2,524	408	2,116	367	565	3,048	3,959
High-level residential aged care	2,642	—	2,642	244	2,886	—	—	—	789	22	811	3,696
Ambulance	52	20	72	322	394	125	20	105	143	52	300	695
<i>Total institutional</i>	<i>9,795</i>	<i>474</i>	<i>10,270</i>	<i>7,204</i>	<i>17,474</i>	<i>2,938</i>	<i>474</i>	<i>2,463</i>	<i>1,596</i>	<i>1,012</i>	<i>5,071</i>	<i>22,545</i>
Medical services	7,331	41	7,372	—	7,372	253	41	212	972	480	1,664	9,036
Other professional services	194	38	232	—	232	235	38	197	1,228	240	1,664	1,897
Total pharmaceuticals	3,086	6	3,092	—	3,092	36	6	30	2,864	—	2,894	5,986
Benefit paid pharmaceuticals	3,086	—	3,086	—	3,086	—	—	—	601	—	601	3,688
All other pharmaceuticals	—	6	6	—	6	36	6	30	2,263	—	2,293	2,298
Aids and appliances	88	30	118	—	118	186	30	156	978	58	1,191	1,310
Other non-institutional services ^(c)	1,341	193	1,534	2,262	3,796	1,195	193	1,002	1,716	138	2,856	6,651
Community and public health ^(d)	879	—	879	1,775	2,654	1	—	1	76	84	161	2,815
Dental services	6	97	104	305	408	603	97	506	1,640	11	2,157	2,566
Administration	456	95	551	182	733	591	95	495	—	43	538	1,271
Research	510	—	510	93	603	—	—	—	—	122	122	725
<i>Total non-institutional</i>	<i>12,551</i>	<i>308</i>	<i>12,858</i>	<i>2,355</i>	<i>15,213</i>	<i>1,905</i>	<i>308</i>	<i>1,597</i>	<i>7,757</i>	<i>1,037</i>	<i>10,391</i>	<i>25,605</i>
Total recurrent expenditure	22,346	782	23,128	9,559	32,687	4,843	782	4,061	9,353	2,049	15,463	48,150
Capital outlays	71	—	71	1,597	1,668	n.a.	n.a.	n.a.	n.a.	n.a.	^(f) 1,009	2,677
Capital consumption	34	—	34	819	853	..	..	..	..	..	^(g) ..	853
<i>Total capital</i>	<i>105</i>	<i>—</i>	<i>105</i>	<i>2,416</i>	<i>2,521</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1,009</i>	<i>3,530</i>
Direct health expenditure	22,451	782	23,233	11,975	35,208	n.a.	n.a.	n.a.	n.a.	n.a.	16,472	51,680
Non-specific tax expenditure	330	..	330	..	330	..	..	..	-330	..	-330	—
Total health expenditure	22,781	782	23,563	11,975	35,538	n.a.	n.a.	n.a.	n.a.	n.a.	16,142	51,680

Notes: See page 80.

Table A10: Total health expenditure, current prices, Australia, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government					Non-government sources						
	Commonwealth			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates	Total			Gross	Premium rebates	Net	Individuals	Other ^(b)	Total	Total
Total hospitals	7,429	777	8,206	6,759	14,965	2,900	777	2,123	1,110	888	4,120	19,085
Public (non-psychiatric) hospitals	6,824	77	6,901	6,359	13,260	287	77	210	512	478	1,200	14,460
Public psychiatric hospitals	—	—	—	400	400	—	—	—	17	4	21	421
Private hospitals	605	700	1,305	—	1,305	2,612	700	1,913	580	406	2,899	4,204
High-level residential aged care	2,921	—	2,921	241	3,162	—	—	—	907	—	907	4,069
Ambulance	62	37	98	900	998	136	37	100	8	40	148	1,147
<i>Total institutional</i>	<i>10,412</i>	<i>813</i>	<i>11,225</i>	<i>7,900</i>	<i>19,125</i>	<i>3,036</i>	<i>813</i>	<i>2,223</i>	<i>2,025</i>	<i>928</i>	<i>5,176</i>	<i>24,301</i>
Medical services	7,931	75	8,006	—	8,006	281	75	206	901	524	1,631	9,637
Other professional services	298	70	368	—	368	262	70	192	1,370	228	1,790	2,158
Total pharmaceuticals	3,523	12	3,535	—	3,535	43	12	32	2,881	—	2,913	6,448
Benefit paid pharmaceuticals	3,523	—	3,523	—	3,523	—	—	—	652	—	652	4,175
All other pharmaceuticals	—	12	12	—	12	43	12	32	2,229	—	2,261	2,273
Aids and appliances	81	56	137	—	137	210	56	154	1,125	92	1,371	1,507
Other non-institutional services ^(c)	1,404	366	1,770	2,554	4,324	1,352	366	987	1,737	11	2,735	7,058
Community and public health ^(d)	674	—	674	1,876	2,550	—	—	—	7	—	7	2,557
Dental services	70	170	240	373	613	635	170	465	1,699	11	2,174	2,788
Administration	661	195	856	304	1,161	717	195	522	32	—	554	1,714
Research	625	—	625	122	747	—	—	—	—	197	197	944
<i>Total non-institutional</i>	<i>13,861</i>	<i>579</i>	<i>14,440</i>	<i>2,676</i>	<i>17,116</i>	<i>2,149</i>	<i>579</i>	<i>1,570</i>	<i>8,014</i>	<i>1,053</i>	<i>10,637</i>	<i>27,753</i>
Total recurrent expenditure	24,273	1,392	25,666	10,576	36,241	5,185	1,392	3,793	10,039	1,981	15,813	52,054
Capital outlays	79	—	79	1,476	1,555	n.a.	n.a.	n.a.	n.a.	n.a.	^(f) 1,087	2,643
Capital consumption	25	—	25	909	934	..	..	..	..	..	^(g) ..	934
<i>Total capital</i>	<i>104</i>	<i>—</i>	<i>104</i>	<i>2,385</i>	<i>2,489</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1,087</i>	<i>3,576</i>
Direct health expenditure	24,377	1,392	25,770	12,960	38,730	n.a.	n.a.	n.a.	n.a.	n.a.	16,900	55,630
Non-specific tax expenditure	355	..	355	..	355	..	..	..	–355	..	–355	—
Total health expenditure	24,732	1,392	26,125	12,960	39,081	n.a.	n.a.	n.a.	n.a.	n.a.	16,545	55,630

Notes: See page 80.

Table A11: Annual growth in health expenditure, constant prices^(h), Australia, by areas of expenditure, 1990–91 to 1999–00 (per cent)

Area of expenditure	1990–91 to 1991–92	1991–92 to 1992–93	1992–93 to 1993–94	1993–94 to 1994–95	1994–95 to 1995–96	1995–96 to 1996–97	1996–97 to 1997–98	1997–98 to 1998–99	1998–99 to 1999–00	Average growth		
										1990–91 to 1999–00	1990–91 to 1992–93	1992–93 to 1999–00
Hospitals	0.7	0.2	1.7	4.4	5.4	4.5	6.0	3.6	5.4	3.5	0.4	4.4
Public (non-psychiatric) hospitals	1.0	0.3	1.7	5.2	5.1	5.2	5.2	3.9	2.8	3.4	0.6	4.1
Public psychiatric hospitals	–0.2	–0.2	0.8	4.1	4.9	5.1	6.4	3.5	2.5	3.0	–0.2	3.9
Private hospitals	–4.0	–11.4	–4.9	–3.2	–7.1	–11.6	–9.1	2.0	3.8	–5.2	–7.8	–4.4
High-level residential aged care	7.7	5.5	6.8	10.8	7.8	7.9	2.9	5.3	3.8	6.5	6.6	6.4
Ambulance	–1.2	–1.0	0.1	2.3	5.7	6.8	7.1	2.0	7.6	3.2	–1.1	4.5
Other institutional (nec)	3.8	2.9	0.8	–6.7	12.1	–3.1	24.4	5.3	60.6	9.7	3.4	11.5
<i>Total institutional</i>	4.6	–1.2	66.8	6.3	7.8	—	—	—	—	—	1.7	—
Medical services	2.9	6.4	6.6	6.4	6.0	4.7	3.4	4.2	5.1	5.1	4.6	5.2
Other health professionals	3.0	6.0	6.5	6.3	4.7	2.1	3.4	2.5	3.4	4.2	4.5	4.1
Pharmaceuticals	–4.0	1.4	1.8	4.2	1.4	18.5	–1.3	10.7	10.4	4.6	–1.4	6.3
Benefit paid items	6.4	8.2	9.9	11.0	7.7	3.0	7.0	6.9	7.3	7.5	7.3	7.5
All other items	5.8	17.8	15.7	10.6	15.6	1.9	1.7	8.7	13.0	9.9	11.6	9.5
Aids and appliances	7.1	–2.3	2.1	11.4	–4.0	5.1	16.2	4.3	–1.8	4.0	2.3	4.6
Other non-institutional (nec)	9.9	9.6	15.5	3.7	3.6	3.7	3.4	7.5	14.3	7.8	9.8	7.3
Community/public health	–0.9	–1.5	–0.3	0.9	–0.9	—	—	—	—	—	–1.2	—
Dental services	–5.1	16.5	11.4	–4.9	16.5	17.3	5.1	10.3	–11.5	5.2	4.7	5.3
Health administration	1.1	14.4	4.4	2.1	9.5	5.8	–2.2	2.3	–3.5	3.6	7.6	2.5
Research	8.4	–10.8	–6.3	19.8	–3.0	–5.0	11.2	–13.4	30.4	2.6	–1.6	3.8
<i>Total non-institutional</i>	3.3	—	11.4	10.0	6.0	4.8	–5.8	9.0	25.4	6.8	1.7	8.3
Total recurrent expenditure	1.8	3.3	4.3	5.4	5.7	4.6	4.6	3.9	5.2	4.3	2.6	4.8
Capital outlays	–6.7	13.5	11.5	–3.7	–9.9	20.1	14.5	7.9	–0.7	4.7	2.9	5.2
Capital consumption	–8.9	–0.1	1.7	–0.2	–2.1	–6.4	8.3	46.6	10.3	4.5	–4.6	7.2
<i>Total capital</i>	–8.1	11.0	10.1	–3.2	–9.0	15.1	14.6	16.7	2.1	4.6	1.0	5.7
Direct health expenditure	1.2	3.7	4.6	4.9	4.9	5.1	5.1	4.6	5.0	4.3	2.5	4.9

Table A12: Proportions of recurrent health expenditure, current prices, Australia, by areas of expenditure, 1990–91 to 1999–00 (per cent)

Area of expenditure	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00
Hospitals	40.1	39.7	38.5	37.5	37.3	37.2	37.3	37.5	37.7	36.6
Public (non-psychiatric) hospitals	31.3	30.7	29.7	28.7	28.3	28.1	28.1	28.6	28.7	27.8
Public psychiatric hospitals	1.9	1.8	1.6	1.4	1.3	1.1	1.0	0.8	0.8	0.8
Private hospitals	6.9	7.1	7.2	7.4	7.8	8.0	8.2	8.1	8.2	8.1
High-level residential aged care	8.6	8.4	8.0	7.7	7.4	7.4	7.5	7.7	7.7	7.8
Ambulance	1.4	1.4	1.4	1.4	1.2	1.3	1.2	1.4	1.4	2.2
Other institutional (nec)	0.2	0.2	0.2	0.3	0.3	0.4	—	—	—	—
<i>Total institutional</i>	<i>50.3</i>	<i>49.7</i>	<i>48.1</i>	<i>46.9</i>	<i>46.3</i>	<i>46.3</i>	<i>46.0</i>	<i>46.6</i>	<i>46.8</i>	<i>46.7</i>
Medical services	18.7	19.0	19.5	19.9	20.0	19.8	19.3	18.8	18.8	18.5
Other health professionals	3.9	3.7	3.7	3.6	3.6	3.4	3.8	3.7	3.9	4.1
Pharmaceuticals	9.5	9.9	10.4	11.0	11.5	11.7	12.1	12.3	12.4	12.4
Benefit paid items	5.0	5.2	5.9	6.6	6.9	7.6	7.7	7.5	7.7	7.5
All other items	4.5	4.7	4.5	4.4	4.6	4.2	4.4	4.9	4.8	4.9
Aids and appliances	2.2	2.3	2.5	2.8	2.8	2.7	2.7	2.7	2.7	2.9
Other non-institutional services ^(c)	13.8	13.8	14.3	14.3	14.2	14.3	14.6	14.5	13.8	13.6
Community/public health	4.7	4.4	4.9	5.2	4.7	5.1	5.6	5.6	5.8	5.0
Dental services	5.3	5.3	5.9	5.9	5.9	6.0	6.0	5.7	5.3	5.4
Health administration	3.8	4.1	3.5	3.2	3.6	3.3	3.0	3.2	2.6	3.3
Research	1.5	1.5	1.4	1.5	1.6	1.6	1.6	1.4	1.5	1.8
<i>Total non-institutional</i>	<i>49.7</i>	<i>50.3</i>	<i>51.9</i>	<i>53.1</i>	<i>53.7</i>	<i>53.7</i>	<i>54.0</i>	<i>53.4</i>	<i>53.2</i>	<i>53.3</i>
Total recurrent expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes for Appendix A tables

- (a) Tables show funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major non-government sources of funding for health care. They do not show gross outlays on health goods and services by the different service provider sectors.
- (b) 'Other' includes expenditure on health goods and services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (for example, interest earned) of service providers.
- (c) 'Other non-institutional services' is a summary of community and public health, dental services and administration.
- (d) Includes expenditure that was previously classified as 'other non-institutional (nec)' as well as expenditure on community and public health services.
- (e) Health research expenditure has been allocated according to the level of government or the private sector organisation that actually undertakes the research activity, not according to source of funds.
- (f) Capital formation for the non-government sector cannot be allocated according to source of funds.
- (g) Non-government capital consumption (depreciation) is included as part of recurrent expenditure.
- (h) Constant price health expenditure for 1990–91 to 1999–00 from which these growth rates were calculated is expressed in chain volume measures referenced to the year 1999–00.

Appendix B: State and Territory health expenditure matrices, 1996–97 to 1999–00

Table B1:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1996–97	83
Table B2:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1997–98	84
Table B3:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1998–99	85
Table B4:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1999–00	86
Table B5:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1996–97	87
Table B6:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1997–98	88
Table B7:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1998–99	89
Table B8:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1999–00	90
Table B9:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1996–97	91
Table B10:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1997–98	92
Table B11:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1998–99	93
Table B12:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1999–00	94
Table B13:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1996–97	95
Table B14:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1997–98	96
Table B15:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1998–99	97
Table B16:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1999–00	98

Table B17: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1996–97	99
Table B18: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1997–98	100
Table B19: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1998–99	101
Table B20: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1999–00	102
Table B21: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1996–97	103
Table B22: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1997–98	104
Table B23: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1998–99	105
Table B24: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1999–00	106
Table B25: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1996–97	107
Table B26: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1997–98	108
Table B27: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1998–99	109
Table B28: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1999–00	110
Table B29: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1996–	111
Table B30: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1997–98	112
Table B31: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1998–99	113
Table B32: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1999–00	114

Table B1: Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	281	1,603	1,884	2,363	4,247	853	34	488	1,376	5,623
Public non-psychiatric hospitals	182	1,603	1,785	2,182	3,966	163	-17	328	474	4,440
Recognised public hospitals	166	1,603	1,769	2,182	3,950	163	-17	328	473	4,424
Repatriation hospitals	16	—	16	—	16	—	—	—	1	16
Private hospitals	95	—	95	—	95	690	46	156	892	987
Public psychiatric hospitals	5	—	5	182	187	—	6	4	10	196
High-level residential aged care	20	917	937	47	984	—	278	7	285	1,269
Ambulance	10	1	11	51	63	62	20	17	99	162
<i>Total institutional</i>	<i>311</i>	<i>2,522</i>	<i>2,833</i>	<i>2,462</i>	<i>5,294</i>	<i>916</i>	<i>331</i>	<i>513</i>	<i>1,760</i>	<i>7,054</i>
Medical services	153	2,309	2,462	—	2,462	75	277	187	539	3,001
Other professional services	22	51	72	—	72	84	332	74	489	561
Total pharmaceuticals	73	944	1,017	—	1,017	19	657	16	692	1,709
Benefit paid pharmaceuticals	73	944	1,017	—	1,017	—	200	—	200	1,217
All other pharmaceuticals	—	—	—	—	—	19	457	16	492	492
Aids and appliances	3	50	53	—	53	82	148	16	247	300
Other non-institutional services	42	363	405	465	870	444	604	5	1,053	1,923
Community and public health ^(c)	19	224	244	262	506	—	—	1	2	507
Dental services	14	19	33	81	114	236	604	4	844	958
Administration	9	120	129	122	251	207	—	—	207	458
Research	1	121	122	30	152	—	—	34	34	186
<i>Total non-institutional</i>	<i>293</i>	<i>3,838</i>	<i>4,131</i>	<i>495</i>	<i>4,626</i>	<i>704</i>	<i>2,018</i>	<i>332</i>	<i>3,054</i>	<i>7,680</i>
Total recurrent expenditure	604	6,360	6,964	2,956	9,920	1,619	2,349	845	4,814	14,734
Capital expenditure	—	13	13	421	434	n.a.	n.a.	n.a.	^(d) 260	694
Capital consumption	—	9	9	213	221	..	..	..	^(e) ..	221
Total health expenditure	604	6,382	6,986	3,590	10,576	n.a.	n.a.	n.a.	5,074	15,650

Notes: See page 115.

Table B2: Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	300	1,788	2,088	2,641	4,728	777	85	417	1,279	6,008
Public non-psychiatric hospitals	169	1,741	1,911	2,503	4,413	147	10	234	391	4,804
Recognised public hospitals	154	1,741	1,895	2,503	4,398	147	10	234	390	4,789
Repatriation hospitals	15	—	15	—	15	—	—	—	—	15
Private hospitals	126	47	172	—	172	631	71	181	882	1,054
Public psychiatric hospitals	5	—	5	138	143	—	4	3	7	149
High-level residential aged care	75	899	974	44	1,018	—	270	4	274	1,292
Ambulance	10	11	21	102	123	76	15	18	109	232
<i>Total institutional</i>	<i>385</i>	<i>2,698</i>	<i>3,083</i>	<i>2,786</i>	<i>5,869</i>	<i>853</i>	<i>371</i>	<i>438</i>	<i>1,663</i>	<i>7,532</i>
Medical services	161	2,394	2,555	—	2,555	68	310	192	571	3,126
Other professional services	25	54	78	—	78	78	361	62	501	580
Total pharmaceuticals	82	956	1,038	—	1,038	17	755	15	787	1,825
Benefit paid pharmaceuticals	82	955	1,037	—	1,037	—	215	—	215	1,252
All other pharmaceuticals	—	1	1	—	1	17	541	15	572	573
Aids and appliances	—	58	58	—	58	78	161	17	256	315
Other non-institutional services	16	434	450	523	973	420	628	3	1,051	2,024
Community and public health ^(c)	—	241	241	357	598	—	—	—	—	598
Dental services	16	11	28	94	122	224	628	3	855	978
Administration	—	181	181	72	252	195	—	—	195	448
Research	—	115	115	27	142	—	—	37	37	179
<i>Total non-institutional</i>	<i>284</i>	<i>4,010</i>	<i>4,295</i>	<i>550</i>	<i>4,845</i>	<i>661</i>	<i>2,215</i>	<i>326</i>	<i>3,203</i>	<i>8,048</i>
Total recurrent expenditure	669	6,709	7,377	3,337	10,714	1,515	2,586	765	4,865	15,579
Capital expenditure	—	20	20	366	386	n.a.	n.a.	n.a.	^(d) 397	783
Capital consumption	—	6	6	213	219	..	..	..	^(e) ..	219
Total health expenditure	669	6,734	7,403	3,916	11,319	n.a.	n.a.	n.a.	5,262	16,581

Notes: See page 115.

Table B3: Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	360	2,211	2,571	2,792	5,363	722	164	246	1,132	6,495
Public non-psychiatric hospitals	203	2,095	2,298	2,654	4,951	121	146	26	293	5,245
Private hospitals	153	116	269	—	269	602	17	210	829	1,098
Public psychiatric hospitals	5	—	5	138	143	—	—	10	10	153
High-level residential aged care	133	887	1,020	71	1,091	—	263	3	266	1,357
Ambulance	13	15	28	146	174	70	-15	25	81	255
<i>Total institutional</i>	<i>505</i>	<i>3,113</i>	<i>3,619</i>	<i>3,010</i>	<i>6,628</i>	<i>793</i>	<i>412</i>	<i>274</i>	<i>1,479</i>	<i>8,108</i>
Medical services	182	2,501	2,683	—	2,683	65	341	227	632	3,315
Other professional services	—	79	79	—	79	71	421	91	583	662
Total pharmaceuticals	79	1,049	1,128	—	1,128	15	887	—	901	2,029
Benefit paid pharmaceuticals	79	1,046	1,125	—	1,125	—	220	—	220	1,345
All other pharmaceuticals	—	3	3	—	3	15	667	—	681	684
Aids and appliances	—	43	43	—	43	67	243	31	341	384
Other non-institutional services	—	479	479	522	1,001	379	608	92	1,079	2,080
Community and public health ^(c)	—	255	255	398	653	—	31	84	115	768
Dental services	—	40	40	74	113	196	577	8	781	894
Administration	—	185	185	50	235	183	—	—	183	418
Research	—	130	130	36	166	—	—	33	33	199
<i>Total non-institutional</i>	<i>261</i>	<i>4,281</i>	<i>4,542</i>	<i>558</i>	<i>5,099</i>	<i>596</i>	<i>2,500</i>	<i>473</i>	<i>3,570</i>	<i>8,669</i>
Total recurrent expenditure	766	7,394	8,161	3,567	11,728	1,389	2,912	747	5,049	16,777
Capital expenditure	—	20	20	232	252	n.a.	n.a.	n.a.	^(d) 317	569
Capital consumption	—	5	5	292	296	..	..	..	^(e) ..	296
Total health expenditure	766	7,419	8,185	4,091	12,276	n.a.	n.a.	n.a.	5,366	17,642

Notes: See page 115.

Table B4: Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	397	2,373	2,770	2,492	5,262	633	350	330	1,313	6,575
Public non-psychiatric hospitals	215	2,168	2,383	2,325	4,709	103	182	198	483	5,192
Private hospitals	181	205	386	—	386	530	158	130	818	1,204
Public psychiatric hospitals	—	—	—	167	167	—	9	2	12	178
High-level residential aged care	139	985	1,125	93	1,218	—	336	—	336	1,554
Ambulance	14	27	42	539	581	70	–84	16	1	582
<i>Total institutional</i>	<i>550</i>	<i>3,386</i>	<i>3,936</i>	<i>3,125</i>	<i>7,061</i>	<i>702</i>	<i>602</i>	<i>346</i>	<i>1,650</i>	<i>8,711</i>
Medical services	199	2,707	2,906	—	2,906	61	364	248	672	3,578
Other professional services	—	126	126	—	126	68	462	96	626	752
Total pharmaceuticals	104	1,187	1,291	—	1,291	15	930	—	946	2,237
Benefit paid pharmaceuticals	104	1,181	1,285	—	1,285	—	233	—	233	1,578
All other pharmaceuticals	—	6	6	—	6	15	698	—	713	719
Aids and appliances	—	50	50	—	50	65	317	40	422	472
Other non-institutional services	28	495	523	368	891	372	590	5	698	1,858
Community and public health ^(c)	—	199	199	275	473	—	—	—	—	473
Dental services	23	67	90	93	183	179	590	5	775	958
Administration	5	229	234	—	234	193	—	—	193	427
Research	—	167	167	31	197	—	—	50	50	248
<i>Total non-institutional</i>	<i>331</i>	<i>4,732</i>	<i>5,063</i>	<i>398</i>	<i>5,461</i>	<i>581</i>	<i>2,663</i>	<i>439</i>	<i>3,683</i>	<i>9,144</i>
Total recurrent expenditure	881	8,118	8,999	3,524	12,522	1,284	3,264	785	5,333	17,856
Capital expenditure	—	12	12	331	344	n.a.	n.a.	n.a.	^(d) 229	572
Capital consumption	—	3	3	308	311	..	..	..	^(e) ..	311
Total health expenditure	881	8,133	9,014	4,163	13,177	n.a.	n.a.	n.a.	5,562	18,739

Notes: See page 115.

Table B5: Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	220	1,111	1,331	1,355	2,686	782	186	246	1,215	3,901
Public non-psychiatric hospitals	155	1,111	1,267	1,346	2,613	84	69	133	285	2,898
Private hospitals	63	—	63	—	63	699	117	113	929	992
Public psychiatric hospitals	1	—	1	9	10	—	—	—	—	10
High-level residential aged care	11	539	550	44	594	—	161	—	161	755
Ambulance	6	—	6	59	64	7	49	8	64	128
<i>Total institutional</i>	<i>237</i>	<i>1,650</i>	<i>1,887</i>	<i>1,458</i>	<i>3,344</i>	<i>789</i>	<i>396</i>	<i>254</i>	<i>1,439</i>	<i>4,784</i>
Medical services	97	1,593	1,690	—	1,690	63	203	74	339	2,030
Other professional services	12	35	47	—	47	40	311	40	391	438
Total pharmaceuticals	38	629	666	11	677	5	666	10	681	1,358
Benefit paid pharmaceuticals	38	629	666	—	666	—	135	—	135	801
All other pharmaceuticals	—	—	—	11	11	5	531	10	546	557
Aids and appliances	—	33	33	—	33	29	269	8	306	339
Other non-institutional services	20	259	279	345	624	230	618	3	850	1,474
Community and public ^(c)	6	151	157	375	532	—	—	1	1	533
Dental services	7	15	23	43	66	102	618	2	722	788
Administration	7	92	99	-74	26	127	—	—	127	153
Research	1	144	145	43	188	—	—	44	44	232
<i>Total non-institutional</i>	<i>168</i>	<i>2,693</i>	<i>2,861</i>	<i>399</i>	<i>3,260</i>	<i>367</i>	<i>2,066</i>	<i>178</i>	<i>2,611</i>	<i>5,871</i>
Total recurrent expenditure	405	4,343	4,748	1,857	6,605	1,156	2,462	432	4,050	10,655
Capital expenditure	—	14	14	172	186	n.a.	n.a.	n.a.	^(d) 320	506
Capital consumption	—	7	7	74	81	..	..	..	^(e) ..	81
Total health expenditure	405	4,364	4,769	2,102	6,872	n.a.	n.a.	n.a.	4,371	11,242

Notes: See page 115.

Table B6: Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	219	1,245	1,464	1,446	2,910	731	184	324	1,240	4,150
Public non-psychiatric hospitals	140	1,214	1,354	1,446	2,801	66	58	189	313	3,113
Private hospitals	78	31	110	—	110	666	126	134	926	1,036
Public psychiatric hospitals	—	—	—	—	—	—	—	1	1	1
High-level residential aged care	51	642	692	38	730	—	184	—	184	915
Ambulance	6	1	7	67	74	6	53	8	67	141
<i>Total institutional</i>	<i>275</i>	<i>1,888</i>	<i>2,164</i>	<i>1,551</i>	<i>3,714</i>	<i>737</i>	<i>421</i>	<i>333</i>	<i>1,491</i>	<i>5,206</i>
Medical services	101	1,633	1,735	—	1,735	61	222	75	357	2,092
Other professional services	14	37	51	—	51	37	329	38	404	455
Total pharmaceuticals	43	635	678	14	693	4	762	11	776	1,469
Benefit paid pharmaceuticals	43	635	678	—	678	—	145	—	145	823
All other pharmaceuticals	—	—	—	14	15	4	617	11	631	646
Aids and appliances	—	41	41	—	41	27	275	9	310	351
Other non-institutional services	8	317	326	446	771	217	638	2	857	1,628
Community and public health ^(c)	—	184	184	383	567	—	—	—	—	568
Dental services	8	8	16	41	57	94	638	2	734	791
Administration	—	125	125	21	147	123	—	—	123	269
Research	—	134	134	37	170	—	—	48	48	218
<i>Total non-institutional</i>	<i>166</i>	<i>2,798</i>	<i>2,964</i>	<i>497</i>	<i>3,461</i>	<i>345</i>	<i>2,226</i>	<i>182</i>	<i>2,753</i>	<i>6,213</i>
Total recurrent expenditure	441	4,686	5,127	2,048	7,175	1,082	2,647	515	4,244	11,419
Capital expenditure	—	15	15	293	308	n.a.	n.a.	n.a.	^(d) 151	459
Capital consumption	—	4	4	85	89	..	..	..	^(e) ..	89
Total health expenditure	441	4,706	5,147	2,425	7,572	n.a.	n.a.	n.a.	4,395	11,967

Notes: See page 115.

Table B7: Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	270	1,604	1,874	1,301	3,176	650	282	334	1,266	4,441
Public non-psychiatric hospitals	171	1,488	1,659	1,289	2,949	46	123	171	340	3,289
Private hospitals	98	116	215	—	215	603	160	162	925	1,139
Public psychiatric hospitals	—	—	—	12	13	—	—	1	1	13
High-level residential aged care	98	546	644	70	714	—	208	—	208	922
Ambulance	7	1	9	14	22	7	67	11	85	107
<i>Total institutional</i>	<i>375</i>	<i>2,151</i>	<i>2,527</i>	<i>1,385</i>	<i>3,912</i>	<i>657</i>	<i>557</i>	<i>344</i>	<i>1,558</i>	<i>5,470</i>
Medical services	114	1,745	1,859	—	1,859	60	237	82	380	2,239
Other professional services	—	55	55	—	55	35	366	65	467	521
Total pharmaceuticals	49	712	761	—	761	3	799	—	802	1,563
Benefit paid pharmaceuticals	49	712	761	—	761	—	150	—	150	911
All other pharmaceuticals	—	1	1	—	1	3	649	—	652	653
Aids and appliances	—	27	27	—	27	25	312	15	351	378
Other non-institutional services	—	340	340	433	774	203	614	—	818	1,591
Community and public health ^(c)	—	197	197	383	580	—	13	—	13	593
Dental services	—	18	18	50	68	84	601	—	685	754
Administration	—	126	126	—	126	119	—	—	119	245
Research	—	163	163	18	180	—	—	49	49	230
<i>Total non-institutional</i>	<i>163</i>	<i>3,042</i>	<i>3,205</i>	<i>451</i>	<i>3,656</i>	<i>327</i>	<i>2,327</i>	<i>212</i>	<i>2,866</i>	<i>6,522</i>
Total recurrent expenditure	539	5,193	5,732	1,836	7,568	983	2,884	556	4,424	11,992
Capital expenditure	—	15	15	544	559	n.a.	n.a.	n.a.	^(d) 225	784
Capital consumption	—	3	3	170	174	..	..	..	^(e) ..	174
Total health expenditure	539	5,212	5,751	2,550	8,300	n.a.	n.a.	n.a.	4,650	12,950

Notes: See page 115.

Table B8: Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	289	1,744	2,033	1,477	3,510	575	419	257	1,251	4,762
Public non-psychiatric hospitals	161	1,549	1,710	1,478	3,188	41	256	144	440	3,628
Private hospitals	128	196	323	—	323	534	164	113	811	1,134
Public psychiatric hospitals	—	—	—	—	—	—	—	—	—	—
High-level residential aged care	98	612	710	18	727	—	206	—	206	933
Ambulance	9	4	13	121	133	5	25	11	41	175
<i>Total institutional</i>	<i>396</i>	<i>2,360</i>	<i>2,756</i>	<i>1,615</i>	<i>4,371</i>	<i>581</i>	<i>649</i>	<i>268</i>	<i>1,498</i>	<i>5,869</i>
Medical services	133	1,897	2,030	—	2,030	59	243	88	390	2,420
Other professional services	—	86	86	—	86	35	487	50	572	658
Total pharmaceuticals	59	819	879	—	879	4	830	—	834	1,712
Benefit paid pharmaceuticals	59	818	877	—	877	—	161	—	161	1,038
All other pharmaceuticals	—	1	1	—	1	4	669	—	672	674
Aids and appliances	—	32	32	—	32	24	361	20	405	437
Other non-institutional services	15	344	359	497	856	207	625	2	834	1,690
Community and public health ^(c)	—	141	141	324	465	—	—	—	—	465
Dental services	12	30	42	107	149	76	626	2	704	853
Administration	3	173	176	66	242	130	—	—	130	372
Research	—	191	191	46	237	—	—	73	73	309
<i>Total non-institutional</i>	<i>208</i>	<i>3,369</i>	<i>3,577</i>	<i>542</i>	<i>4,120</i>	<i>328</i>	<i>2,546</i>	<i>234</i>	<i>3,108</i>	<i>7,227</i>
Total recurrent expenditure	604	5,729	6,333	2,158	8,491	909	3,195	501	4,606	13,096
Capital expenditure	—	12	12	377	389	n.a.	n.a.	n.a.	^(d) 216	605
Capital consumption	—	3	3	185	188	..	..	..	^(e) ..	188
Total health expenditure	604	5,743	6,347	2,720	9,067	n.a.	n.a.	n.a.	4,822	13,889

Notes: See page 115.

Table B9: Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	142	926	1,068	984	2,051	517	77	79	673	2,724
Public non-psychiatric hospitals	8	926	934	895	1,829	40	15	27	82	1,911
Private hospitals	132	—	132	—	132	477	57	51	585	716
Public psychiatric hospitals	2	—	2	89	91	—	5	1	6	97
High-level residential aged care	8	324	333	40	372	—	114	—	114	486
Ambulance	7	5	12	54	66	9	30	2	41	107
<i>Total institutional</i>	<i>157</i>	<i>1,255</i>	<i>1,412</i>	<i>1,078</i>	<i>2,490</i>	<i>526</i>	<i>221</i>	<i>81</i>	<i>828</i>	<i>3,318</i>
Medical services	94	1,112	1,206	—	1,206	43	181	28	252	1,458
Other professional services	12	28	39	—	39	37	199	15	251	290
Total pharmaceuticals	37	434	472	—	472	8	513	2	523	994
Benefit paid pharmaceuticals	37	434	472	—	472	—	96	—	96	567
All other pharmaceuticals	—	—	—	—	—	8	417	2	427	427
Aids and appliances	—	28	28	—	28	30	211	1	243	270
Other non-institutional services	19	224	243	588	832	162	145	1	308	1,140
Community and public health ^(c)	4	156	159	471	630	—	—	—	—	631
Dental services	9	11	19	91	111	88	145	1	234	345
Administration	7	58	64	26	91	74	—	—	74	164
Research	—	61	61	10	72	—	—	15	15	86
<i>Total non-institutional</i>	<i>162</i>	<i>1,887</i>	<i>2,049</i>	<i>599</i>	<i>2,648</i>	<i>281</i>	<i>1,249</i>	<i>61</i>	<i>1,591</i>	<i>4,239</i>
Total recurrent expenditure	319	3,142	3,461	1,676	5,138	807	1,470	142	2,419	7,556
Capital expenditure	—	10	10	317	327	n.a.	n.a.	n.a.	^(d) 230	557
Capital consumption	—	5	5	107	111	..	..	..	^(e) ..	111
Total health expenditure	319	3,157	3,476	2,100	5,576	n.a.	n.a.	n.a.	2,649	8,225

Notes: See page 115.

Table B10: Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	154	1,030	1,185	1,026	2,210	493	70	114	677	2,888
Public non-psychiatric hospitals	8	1,008	1,016	932	1,948	34	8	46	89	2,037
Private hospitals	144	23	167	—	167	458	58	66	583	750
Public psychiatric hospitals	2	—	2	93	95	—	4	2	6	101
High-level residential aged care	23	352	375	38	413	—	122	—	122	535
Ambulance	7	17	25	62	87	9	36	2	47	134
<i>Total institutional</i>	<i>185</i>	<i>1,399</i>	<i>1,584</i>	<i>1,126</i>	<i>2,710</i>	<i>501</i>	<i>228</i>	<i>116</i>	<i>846</i>	<i>3,556</i>
Medical services	102	1,171	1,274	—	1,274	42	204	32	278	1,552
Other professional services	13	30	43	—	43	35	210	15	260	303
Total pharmaceuticals	43	449	491	—	491	6	606	1	613	1,105
Benefit paid pharmaceuticals	43	448	491	—	491	—	105	—	105	596
All other pharmaceuticals	—	—	—	—	—	6	501	1	508	508
Aids and appliances	—	32	32	—	32	28	225	1	254	286
Other non-institutional services	10	232	242	590	832	159	151	1	311	1,142
Community and public health ^(c)	—	137	137	479	616	—	—	—	—	616
Dental services	10	6	15	96	111	84	151	1	236	347
Administration	—	90	90	15	105	75	—	—	75	180
Research	—	57	57	12	68	—	—	16	16	84
<i>Total non-institutional</i>	<i>168</i>	<i>1,970</i>	<i>2,138</i>	<i>601</i>	<i>2,740</i>	<i>271</i>	<i>1,396</i>	<i>66</i>	<i>1,733</i>	<i>4,473</i>
Total recurrent expenditure	353	3,370	3,723	1,727	5,450	772	1,624	183	2,579	8,029
Capital expenditure	—	11	11	505	516	n.a.	n.a.	n.a.	^(d) 173	689
Capital consumption	—	3	3	132	135	..	..	..	^(e) ..	135
Total health expenditure	353	3,384	3,737	2,364	6,101	n.a.	n.a.	n.a.	2,753	8,853

Notes: See page 115.

Table B11: Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	185	1,205	1,390	1,012	2,402	444	47	133	624	3,026
Public non-psychiatric hospitals	21	1,125	1,145	921	2,066	26	-1	47	72	2,138
Private hospitals	163	80	244	—	244	418	44	85	547	790
Public psychiatric hospitals	1	—	1	91	93	—	4	2	5	98
High-level residential aged care	67	358	425	45	470	—	130	19	149	619
Ambulance	7	6	13	70	83	7	58	5	71	154
<i>Total institutional</i>	<i>260</i>	<i>1,569</i>	<i>1,829</i>	<i>1,127</i>	<i>2,955</i>	<i>451</i>	<i>235</i>	<i>158</i>	<i>844</i>	<i>3,799</i>
Medical services	116	1,236	1,351	—	1,351	40	217	27	284	1,636
Other professional services	—	43	43	—	43	32	231	13	276	319
Total pharmaceuticals	62	500	562	—	562	6	604	—	610	1,172
Benefit paid pharmaceuticals	62	499	561	—	561	—	105	—	105	666
All other pharmaceuticals	—	1	1	—	1	6	499	—	505	506
Aids and appliances	—	21	21	—	21	25	242	2	269	290
Other non-institutional services	—	257	257	616	873	155	205	1	362	1,234
Community and public health ^(c)	—	152	152	492	644	—	20	—	21	664
Dental services	—	16	16	91	107	76	185	1	262	369
Administration	—	89	89	33	122	79	—	—	79	201
Research	—	70	70	17	86	—	—	16	16	102
<i>Total non-institutional</i>	<i>177</i>	<i>2,127</i>	<i>2,304</i>	<i>632</i>	<i>2,937</i>	<i>258</i>	<i>1,500</i>	<i>59</i>	<i>1,817</i>	<i>4,754</i>
Total recurrent expenditure	437	3,696	4,133	1,759	5,892	709	1,735	216	2,661	8,553
Capital expenditure	—	10	10	543	553	n.a.	n.a.	n.a.	^(d) 271	824
Capital consumption	—	2	2	176	178	..	..	..	^(e) ..	178
Total health expenditure	437	3,708	4,145	2,478	6,623	n.a.	n.a.	n.a.	2,932	9,555

Notes: See page 115.

Table B12: Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	211	1,281	1,492	1,092	2,584	399	100	132	631	3,215
Public non-psychiatric hospitals	25	1,143	1,168	1,001	2,169	21	12	51	84	2,253
Private hospitals	186	138	324	—	324	378	85	79	542	866
Public psychiatric hospitals	—	—	—	91	91	—	3	1	5	96
High-level residential aged care	73	400	473	32	504	—	163	—	163	668
Ambulance	8	8	16	166	181	6	53	3	61	243
<i>Total institutional</i>	<i>292</i>	<i>1,689</i>	<i>1,981</i>	<i>1,290</i>	<i>3,270</i>	<i>405</i>	<i>316</i>	<i>134</i>	<i>855</i>	<i>4,125</i>
Medical services	125	1,341	1,466	—	1,466	38	85	25	148	1,615
Other professional services	—	68	68	—	68	32	271	12	315	383
Total pharmaceuticals	57	570	627	—	627	6	600	—	606	1,233
Benefit paid pharmaceuticals	57	568	625	—	625	—	116	—	116	674
All other pharmaceuticals	—	2	2	—	2	6	484	—	470	492
Aids and appliances	—	27	27	—	27	26	271	2	298	325
Other non-institutional services	17	302	319	757	1,076	161	183	1	345	1,421
Community and public health ^(c)	—	139	139	610	749	—	—	—	—	749
Dental services	14	28	42	102	143	73	183	1	256	400
Administration	3	135	139	46	184	88	—	—	88	273
Research	—	90	90	17	107	—	—	27	27	134
<i>Total non-institutional</i>	<i>200</i>	<i>2,398</i>	<i>2,598</i>	<i>774</i>	<i>3,371</i>	<i>262</i>	<i>1,409</i>	<i>68</i>	<i>1,240</i>	<i>5,111</i>
Total recurrent expenditure	492	4,086	4,578	2,064	6,642	667	1,725	202	2,595	9,236
Capital expenditure	—	19	19	515	535	n.a.	n.a.	n.a.	^(d) 486	1,021
Capital consumption	—	2	2	227	229	..	..	..	^(e) ..	229
Total health expenditure	492	4,107	4,599	2,806	7,405	n.a.	n.a.	n.a.	3,081	10,486

Notes: See page 115.

Table B13: Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	52	511	564	527	1,091	247	55	92	394	1,485
Public non-psychiatric hospitals	8	511	520	486	1,006	31	18	48	97	1,103
Private hospitals	43	—	43	—	43	216	36	44	296	339
Public psychiatric hospitals	—	—	—	41	41	—	1	—	1	42
High-level residential aged care	4	170	173	14	187	—	54	—	54	241
Ambulance	3	6	9	18	27	12	6	2	20	46
<i>Total institutional</i>	<i>59</i>	<i>687</i>	<i>746</i>	<i>559</i>	<i>1,304</i>	<i>259</i>	<i>114</i>	<i>94</i>	<i>468</i>	<i>1,772</i>
Medical services	27	528	555	—	555	19	53	49	121	676
Other professional services	4	14	18	—	18	29	48	26	104	122
Total pharmaceuticals	11	207	219	—	219	4	232	5	241	459
Benefit paid pharmaceuticals	11	207	219	—	219	—	47	—	47	266
All other pharmaceuticals	—	—	—	—	—	4	184	5	193	193
Aids and appliances	—	16	16	—	16	16	86	4	107	123
Other non-institutional services	8	91	99	321	419	139	46	1	187	606
Community and public health ^(c)	1	53	54	127	181	—	—	—	—	182
Dental services	4	5	8	35	43	93	46	1	140	184
Administration	3	33	36	158	195	46	—	—	46	241
Research	—	41	42	5	47	—	—	8	8	54
<i>Total non-institutional</i>	<i>51</i>	<i>897</i>	<i>947</i>	<i>326</i>	<i>1,273</i>	<i>208</i>	<i>466</i>	<i>94</i>	<i>767</i>	<i>2,040</i>
Total recurrent expenditure	109	1,583	1,693	884	2,577	467	580	188	1,235	3,812
Capital expenditure	—	3	3	65	68	n.a.	n.a.	n.a.	^(d) 37	105
Capital consumption	—	1	1	39	40	..	..	..	^(e) ..	40
Total health expenditure	109	1,588	1,697	988	2,685	n.a.	n.a.	n.a.	1,272	3,958

Notes: See page 115.

Table B14: Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	55	583	639	663	1,301	241	38	106	385	1,687
Public non-psychiatric hospitals	9	569	577	603	1,181	28	12	53	92	1,273
Private hospitals	47	14	61	—	61	213	26	52	291	352
Public psychiatric hospitals	—	—	—	59	60	—	1	1	2	61
High-level residential aged care	6	201	208	13	221	—	64	—	64	284
Ambulance	3	17	20	18	38	13	6	3	21	59
<i>Total institutional</i>	<i>64</i>	<i>801</i>	<i>866</i>	<i>694</i>	<i>1,560</i>	<i>254</i>	<i>108</i>	<i>108</i>	<i>470</i>	<i>2,030</i>
Medical services	28	552	581	—	581	17	60	49	125	706
Other professional services	5	14	19	—	19	30	49	24	103	123
Total pharmaceuticals	13	211	224	—	224	3	268	5	276	501
Benefit paid pharmaceuticals	13	211	224	—	224	—	52	—	52	276
All other pharmaceuticals	—	—	—	—	—	3	216	5	224	225
Aids and appliances	—	17	17	—	17	18	88	4	110	127
Other non-institutional services	4	144	148	395	543	137	48	1	186	729
Community and public health ^(c)	—	95	95	178	273	—	—	—	—	273
Dental services	4	4	7	33	41	92	48	1	141	182
Administration	—	46	46	183	230	45	—	—	45	275
Research	—	38	38	6	44	—	—	9	9	53
<i>Total non-institutional</i>	<i>50</i>	<i>978</i>	<i>1,028</i>	<i>401</i>	<i>1,429</i>	<i>205</i>	<i>512</i>	<i>92</i>	<i>809</i>	<i>2,238</i>
Total recurrent expenditure	114	1,779	1,894	1,095	2,989	459	620	200	1,279	4,268
Capital expenditure	—	5	5	77	82	n.a.	n.a.	n.a.	^(d) 169	252
Capital consumption	—	2	2	42	43	..	..	..	^(e) ..	43
Total health expenditure	114	1,786	1,900	1,214	3,114	n.a.	n.a.	n.a.	1,449	4,563

Notes: See page 115.

Table B15: Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	82	651	734	659	1,393	231	96	87	413	1,807
Public non-psychiatric hospitals	27	611	638	603	1,241	21	14	40	74	1,316
Private hospitals	55	40	95	—	95	209	81	47	338	433
Public psychiatric hospitals	—	—	—	57	57	—	1	—	1	58
High-level residential aged care	30	168	198	29	227	—	73	—	73	301
Ambulance	3	10	13	24	37	17	5	3	25	62
<i>Total institutional</i>	<i>116</i>	<i>829</i>	<i>945</i>	<i>713</i>	<i>1,658</i>	<i>248</i>	<i>174</i>	<i>90</i>	<i>512</i>	<i>2,169</i>
Medical services	33	578	611	—	611	17	66	42	125	736
Other professional services	—	24	24	—	24	29	67	28	123	147
Total pharmaceuticals	15	237	251	—	251	3	254	—	257	508
Benefit paid pharmaceuticals	15	236	251	—	251	—	50	—	50	300
All other pharmaceuticals	—	1	1	—	1	3	205	—	207	208
Aids and appliances	—	12	12	—	12	16	90	5	111	123
Other non-institutional services	—	179	179	208	387	130	142	30	303	690
Community and public health ^(c)	—	109	109	158	267	—	7	—	7	274
Dental services	—	17	17	39	55	84	136	1	221	276
Administration	—	53	53	12	65	46	—	29	75	140
Research	—	39	39	9	48	—	—	8	8	56
<i>Total non-institutional</i>	<i>48</i>	<i>1,068</i>	<i>1,116</i>	<i>217</i>	<i>1,333</i>	<i>194</i>	<i>620</i>	<i>113</i>	<i>927</i>	<i>2,260</i>
Total recurrent expenditure	163	1,897	2,061	930	2,991	442	793	203	1,438	4,429
Capital expenditure	—	5	5	153	158	n.a.	n.a.	n.a.	^(d) 150	309
Capital consumption	—	1	1	67	68	..	..	..	^(e) ..	68
Total health expenditure	163	1,904	2,068	1,149	3,217	n.a.	n.a.	n.a.	1,589	4,806

Notes: See page 115.

Table B16: Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	90	707	797	729	1,526	222	113	86	421	1,947
Public non-psychiatric hospitals	25	633	658	677	1,335	20	20	46	86	1,421
Private hospitals	65	74	139	—	139	202	92	40	334	473
Public psychiatric hospitals	—	—	—	52	52	—	1	—	1	53
High-level residential aged care	32	192	224	71	295	—	80	—	80	375
Ambulance	4	12	16	26	42	16	–25	4	–5	37
<i>Total institutional</i>	<i>126</i>	<i>911</i>	<i>1,037</i>	<i>826</i>	<i>1,863</i>	<i>238</i>	<i>168</i>	<i>89</i>	<i>496</i>	<i>2,359</i>
Medical services	39	630	668	—	668	18	89	60	166	834
Other professional services	—	39	39	—	39	28	45	32	105	144
Total pharmaceuticals	20	271	290	—	290	3	223	—	226	516
Benefit paid pharmaceuticals	20	270	289	—	289	—	59	—	59	348
All other pharmaceuticals	—	1	1	—	1	3	164	—	167	168
Aids and appliances	—	12	12	—	12	16	82	12	110	121
Other non-institutional services	7	192	200	353	553	125	193	1	319	872
Community and public health ^(c)	—	73	73	279	352	—	7	—	7	359
Dental services	6	29	34	37	71	77	154	1	233	304
Administration	2	90	92	38	129	47	32	—	79	209
Research	—	51	51	8	59	—	—	13	13	72
<i>Total non-institutional</i>	<i>66</i>	<i>1,193</i>	<i>1,259</i>	<i>361</i>	<i>1,621</i>	<i>189</i>	<i>632</i>	<i>118</i>	<i>939</i>	<i>2,559</i>
Total recurrent expenditure	191	2,105	2,296	1,188	3,484	427	800	207	1,434	4,918
Capital expenditure	—	5	5	96	101	n.a.	n.a.	n.a.	^(d) 77	177
Capital consumption	—	1	1	76	78	..	..	..	^(e) ..	78
Total health expenditure	191	2,110	2,302	1,361	3,662	n.a.	n.a.	n.a.	1,536	5,173

Notes: See page 115.

Table B17: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, (a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	74	517	590	352	943	260	13	43	317	1,260
Public non-psychiatric hospitals	65	517	582	304	886	25	4	19	48	934
Private hospitals	8	—	8	—	8	236	6	24	267	275
Public psychiatric hospitals	—	—	—	48	48	—	3	—	3	51
High-level residential aged care	5	205	209	27	237	—	66	—	66	302
Ambulance	4	3	6	13	20	2	11	2	15	35
<i>Total institutional</i>	<i>82</i>	<i>724</i>	<i>806</i>	<i>393</i>	<i>1,199</i>	<i>263</i>	<i>90</i>	<i>45</i>	<i>398</i>	<i>1,597</i>
Medical services	24	492	516	—	516	22	45	70	137	653
Other professional services	4	11	15	—	15	29	54	21	103	119
Total pharmaceuticals	12	216	228	—	228	6	148	2	156	385
Benefit paid pharmaceuticals	12	216	228	—	228	—	45	—	45	273
All other pharmaceuticals	—	—	—	—	—	6	103	2	111	111
Aids and appliances	—	17	17	—	17	19	30	3	52	69
Other non-institutional services	8	90	98	148	246	119	79	1	198	444
Community and public health ^(c)	1	47	49	57	106	—	—	—	—	106
Dental services	3	6	9	27	36	61	79	1	140	176
Administration	3	37	40	63	104	58	—	—	58	162
Research	—	48	48	9	58	—	—	11	11	69
<i>Total non-institutional</i>	<i>48</i>	<i>874</i>	<i>923</i>	<i>157</i>	<i>1,080</i>	<i>195</i>	<i>355</i>	<i>108</i>	<i>658</i>	<i>1,738</i>
Total recurrent expenditure	130	1,598	1,729	551	2,279	458	445	153	1,056	3,335
Capital expenditure	—	4	4	105	110	n.a.	n.a.	n.a.	^(d) 84	194
Capital consumption	—	2	2	42	44	..	..	..	^(e) ..	44
Total health expenditure	130	1,605	1,735	698	2,433	n.a.	n.a.	n.a.	1,140	3,574

Notes: See page 115.

Table B18: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, (a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	66	574	640	414	1,053	233	10	51	293	1,346
Public non-psychiatric hospitals	56	563	619	362	981	21	2	19	42	1,023
Private hospitals	9	11	20	—	20	211	4	32	247	267
Public psychiatric hospitals	—	—	—	52	52	—	4	—	4	56
High-level residential aged care	14	215	229	20	249	—	74	—	74	323
Ambulance	4	9	13	16	29	3	7	6	16	45
<i>Total institutional</i>	<i>84</i>	<i>798</i>	<i>882</i>	<i>449</i>	<i>1,331</i>	<i>235</i>	<i>91</i>	<i>56</i>	<i>382</i>	<i>1,714</i>
Medical services	27	507	533	—	533	22	48	66	136	669
Other professional services	5	12	17	—	17	28	58	17	103	120
Total pharmaceuticals	14	217	231	—	231	3	183	2	188	419
Benefit paid pharmaceuticals	14	217	231	—	231	—	48	—	48	279
All other pharmaceuticals	—	—	—	—	—	3	134	2	140	140
Aids and appliances	—	16	16	—	16	19	36	2	57	73
Other non-institutional services	4	120	124	134	258	116	82	1	199	457
Community and public health ^(c)	—	75	75	36	111	—	—	—	—	111
Dental services	4	3	6	29	35	59	82	1	142	177
Administration	—	42	42	69	111	57	—	—	57	168
Research	—	45	45	9	53	—	—	12	12	65
<i>Total non-institutional</i>	<i>49</i>	<i>917</i>	<i>966</i>	<i>143</i>	<i>1,109</i>	<i>188</i>	<i>406</i>	<i>101</i>	<i>695</i>	<i>1,804</i>
Total recurrent expenditure	133	1,715	1,848	592	2,441	423	497	157	1,078	3,518
Capital expenditure	—	5	5	129	134	n.a.	n.a.	n.a.	^(d) 71	205
Capital consumption	—	2	2	45	46	..	..	..	^(e) ..	46
Total health expenditure	133	1,723	1,856	766	2,621	n.a.	n.a.	n.a.	1,148	3,769

Notes: See page 115.

Table B19: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, (a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	69	551	620	516	1,136	204	30	51	285	1,421
Public non-psychiatric hospitals	57	515	572	445	1,017	17	12	20	48	1,065
Private hospitals	11	36	47	—	47	187	14	31	233	280
Public psychiatric hospitals	—	—	—	71	71	—	4	—	4	75
High-level residential aged care	26	217	242	27	269	—	82	—	82	351
Ambulance	4	1	5	32	37	3	14	6	23	60
<i>Total institutional</i>	99	768	867	575	1,442	207	126	57	390	1,832
Medical services	29	531	561	—	561	25	45	73	142	703
Other professional services	—	20	20	—	20	25	72	20	117	137
Total pharmaceuticals	17	240	257	—	257	2	184	—	186	443
Benefit paid pharmaceuticals	17	240	256	—	256	—	50	—	50	307
All other pharmaceuticals	—	—	—	—	—	2	133	—	135	136
Aids and appliances	—	10	10	—	10	17	40	2	60	70
Other non-institutional services	—	138	138	189	327	103	65	1	169	496
Community and public health ^(c)	—	82	82	93	175	—	2	—	2	178
Dental services	—	11	11	29	40	51	63	1	115	155
Administration	—	45	45	67	112	52	—	—	52	163
Research	—	58	58	4	62	—	—	5	5	67
<i>Total non-institutional</i>	46	997	1,043	194	1,237	173	405	100	678	1,915
Total recurrent expenditure	145	1,766	1,910	769	2,679	380	532	157	1,068	3,748
Capital expenditure	—	6	6	81	87	n.a.	n.a.	n.a.	^(d) 28	115
Capital consumption	—	2	2	74	76	..	..	..	^(e) ..	76
Total health expenditure	145	1,773	1,917	924	2,842	n.a.	n.a.	n.a.	1,097	3,938

Notes: See page 115.

Table B20: Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, (a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	81	668	748	548	1,296	191	40	32	263	1,560
Public non-psychiatric hospitals	63	603	666	469	1,135	15	16	6	38	1,173
Private hospitals	18	64	82	—	82	176	19	26	221	304
Public psychiatric hospitals	—	—	—	79	79	—	4	—	4	83
High-level residential aged care	30	236	266	27	293	—	86	—	86	379
Ambulance	5	4	9	30	39	2	39	6	47	85
<i>Total institutional</i>	<i>116</i>	<i>907</i>	<i>1,023</i>	<i>605</i>	<i>1,628</i>	<i>194</i>	<i>164</i>	<i>38</i>	<i>395</i>	<i>2,024</i>
Medical services	35	568	602	—	602	25	61	72	159	761
Other professional services	—	32	32	—	32	24	35	17	76	108
Total pharmaceuticals	18	274	292	—	292	3	180	—	183	475
Benefit paid pharmaceuticals	—	273	291	—	291	—	53	—	53	344
All other pharmaceuticals	18	1	1	—	1	3	127	—	130	131
Aids and appliances	—	11	11	—	11	17	47	7	71	82
Other non-institutional services	7	166	173	222	395	92	62	1	154	550
Community and public health ^(c)	—	57	57	112	168	—	—	—	—	169
Dental services	5	18	23	31	55	47	61	1	109	164
Administration	2	91	93	80	172	45	—	—	45	217
Research	—	75	75	13	88	—	—	22	22	110
<i>Total non-institutional</i>	<i>60</i>	<i>1,126</i>	<i>1,185</i>	<i>236</i>	<i>1,421</i>	<i>161</i>	<i>385</i>	<i>119</i>	<i>665</i>	<i>2,086</i>
Total recurrent expenditure	176	2,033	2,208	841	3,049	355	549	157	1,060	4,110
Capital expenditure	—	3	3	130	132	n.a.	n.a.	n.a.	^(d) 37	169
Capital consumption	—	1	1	73	75	..	..	..	^(e) ..	75
Total health expenditure	176	2,037	2,212	1,044	3,256	n.a.	n.a.	n.a.	1,097	4,353

Notes: See page 115.

Table B21: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	25	145	170	106	276	87	30	28	145	421
Public non-psychiatric hospitals	16	145	161	95	256	7	9	13	29	285
Private hospitals	9	—	9	—	9	80	20	16	116	124
Public psychiatric hospitals	—	—	—	11	11	—	1	—	1	11
High-level residential aged care	1	70	71	6	77	—	20	—	20	97
Ambulance	1	—	1	10	12	—	6	1	7	19
<i>Total institutional</i>	<i>28</i>	<i>215</i>	<i>243</i>	<i>122</i>	<i>364</i>	<i>87</i>	<i>57</i>	<i>29</i>	<i>173</i>	<i>537</i>
Medical services	13	144	157	—	157	6	21	15	42	199
Other professional services	2	4	6	—	6	5	13	10	27	34
Total pharmaceuticals	7	69	77	—	77	2	63	1	67	143
Benefit paid pharmaceuticals	7	69	77	—	77	—	15	—	15	91
All other pharmaceuticals	—	—	—	—	—	2	49	1	52	52
Aids and appliances	—	4	4	—	4	6	22	1	30	34
Other non-institutional services	5	40	45	193	238	29	18	1	48	286
Community and public health ^(c)	2	24	26	195	221	—	—	—	—	221
Dental services	1	2	3	11	14	13	18	—	31	45
Administration	2	15	16	–13	4	16	—	—	16	20
Research	—	7	7	–1	6	—	—	1	1	7
<i>Total non-institutional</i>	<i>28</i>	<i>268</i>	<i>296</i>	<i>193</i>	<i>489</i>	<i>48</i>	<i>137</i>	<i>29</i>	<i>214</i>	<i>703</i>
Total recurrent expenditure	55	483	539	314	853	135	194	58	387	1,240
Capital expenditure	—	2	2	15	17	n.a.	n.a.	n.a.	^(d) 40	57
Capital consumption	—	1	1	10	11	..	..	..	^(e) ..	11
Total health expenditure	55	486	542	339	881	n.a.	n.a.	n.a.	427	1,308

Notes: See page 115.

Table B22: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	26	160	186	84	270	77	23	40	139	409
Public non-psychiatric hospitals	15	156	171	74	246	6	—	25	31	277
Private hospitals	11	4	14	—	14	71	23	14	108	122
Public psychiatric hospitals	—	—	—	10	10	—	—	—	—	10
High-level residential aged care	13	64	76	—	76	—	22	—	22	98
Ambulance	1	1	2	12	13	—	7	—	8	21
<i>Total institutional</i>	<i>40</i>	<i>224</i>	<i>264</i>	<i>96</i>	<i>359</i>	<i>77</i>	<i>52</i>	<i>40</i>	<i>169</i>	<i>528</i>
Medical services	15	145	160	—	160	5	21	14	41	201
Other professional services	3	4	7	—	7	5	15	8	28	34
Total pharmaceuticals	8	71	79	—	79	1	83	1	86	165
Benefit paid pharmaceuticals	8	71	79	—	79	—	16	—	16	95
All other pharmaceuticals	—	—	—	—	—	1	67	1	70	70
Aids and appliances	—	5	5	—	5	6	28	1	35	40
Other non-institutional services	1	37	39	157	195	27	20	—	47	242
Community and public health ^(c)	—	24	24	128	152	—	—	—	—	152
Dental services	1	1	2	24	26	13	20	—	33	59
Administration	—	13	13	5	17	14	—	—	14	31
Research	—	6	6	1	6	—	—	1	1	7
<i>Total non-institutional</i>	<i>27</i>	<i>268</i>	<i>295</i>	<i>157</i>	<i>452</i>	<i>44</i>	<i>167</i>	<i>26</i>	<i>236</i>	<i>689</i>
Total recurrent expenditure	67	492	559	253	812	121	219	66	406	1,217
Capital expenditure	—	2	2	12	14	n.a.	n.a.	n.a.	^(d) 22	36
Capital consumption	—	1	1	9	10	..	..	..	^(e) ..	10
Total health expenditure	67	494	561	274	835	n.a.	n.a.	n.a.	428	1,263

Notes: See page 115.

Table B23: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	27	150	178	120	298	66	24	33	123	421
Public non-psychiatric hospitals	13	138	151	121	272	5	-3	19	20	292
Private hospitals	15	12	26	—	26	61	27	14	103	129
Public psychiatric hospitals	—	—	—	—	—	—	—	—	—	—
High-level residential aged care	11	69	79	1	80	—	23	—	23	103
Ambulance	1	—	1	16	17	—	8	1	9	26
<i>Total institutional</i>	<i>39</i>	<i>219</i>	<i>259</i>	<i>137</i>	<i>395</i>	<i>67</i>	<i>55</i>	<i>34</i>	<i>155</i>	<i>551</i>
Medical services	16	154	170	—	170	5	23	13	41	211
Other professional services	—	6	6	—	6	4	20	10	35	41
Total pharmaceuticals	9	78	87	—	87	1	89	—	90	176
Benefit paid pharmaceuticals	9	78	86	—	86	—	16	—	16	103
All other pharmaceuticals	—	—	—	—	—	1	72	—	73	74
Aids and appliances	—	3	3	—	3	5	33	2	40	43
Other non-institutional services	—	44	44	136	181	25	28	—	53	234
Community and public health ^(c)	—	28	28	123	151	—	2	—	2	152
Dental services	—	2	2	10	13	12	26	—	38	50
Administration	—	15	15	3	17	14	—	—	14	31
Research	—	5	5	1	7	—	—	1	1	8
<i>Total non-institutional</i>	<i>25</i>	<i>291</i>	<i>316</i>	<i>137</i>	<i>453</i>	<i>41</i>	<i>192</i>	<i>27</i>	<i>260</i>	<i>713</i>
Total recurrent expenditure	64	510	574	274	849	108	247	61	415	1,264
Capital expenditure	—	2	2	21	23	n.a.	n.a.	n.a.	^(d) 16	39
Capital consumption	—	1	1	15	16	..	..	..	^(e) ..	16
Total health expenditure	64	512	577	311	887	n.a.	n.a.	n.a.	432	1,319

Notes: See page 115.

Table B24: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	29	158	187	171	358	57	45	17	119	478
Public non-psychiatric hospitals	12	139	151	160	311	4	11	9	24	334
Private hospitals	17	19	36	—	36	53	34	9	96	132
Public psychiatric hospitals	—	—	—	11	11	—	—	—	—	11
High-level residential aged care	12	75	87	–1	86	—	25	—	25	112
Ambulance	1	—	2	—	2	—	–1	1	—	2
<i>Total institutional</i>	<i>42</i>	<i>234</i>	<i>276</i>	<i>171</i>	<i>447</i>	<i>57</i>	<i>69</i>	<i>18</i>	<i>145</i>	<i>591</i>
Medical services	17	168	185	—	185	4	26	14	44	230
Other professional services	—	9	9	—	9	4	26	10	40	49
Total pharmaceuticals	10	89	99	—	99	1	70	—	72	171
Benefit paid pharmaceuticals	10	89	99	—	99	—	17	—	17	116
All other pharmaceuticals	—	—	—	—	—	1	54	—	55	55
Aids and appliances	—	4	4	—	4	5	30	3	37	41
Other non-institutional services	2	64	66	129	196	25	26	—	51	246
Community and public health ^(c)	—	21	21	129	150	—	—	—	—	150
Dental services	1	4	6	—	6	11	26	—	37	42
Administration	1	39	40	—	40	14	—	—	14	54
Research	—	7	7	1	8	—	—	2	2	9
<i>Total non-institutional</i>	<i>30</i>	<i>341</i>	<i>371</i>	<i>130</i>	<i>501</i>	<i>40</i>	<i>177</i>	<i>28</i>	<i>245</i>	<i>746</i>
Total recurrent expenditure	72	575	646	301	947	97	247	47	390	1,338
Capital expenditure	—	2	2	7	8	n.a.	n.a.	n.a.	^(d) 28	36
Capital consumption	—	—	—	12	13	..	..	..	^(e) ..	13
Total health expenditure	72	577	648	320	969	n.a.	n.a.	n.a.	418	1,386

Notes: See page 115.

Table B25: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds,^(a) 1996–97 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	7	79	86	126	212	37	3	18	59	271
Public non-psychiatric hospitals	3	79	82	126	208	9	—	12	21	229
Private hospitals	4	—	4	—	4	29	3	6	38	42
High-level residential aged care	—	16	16	—	16	—	5	—	5	21
Ambulance	—	—	—	4	4	—	3	1	3	7
<i>Total institutional</i>	7	95	103	130	232	37	11	19	67	299
Medical services	6	88	94	—	94	—	32	11	43	137
Other professional services	—	3	3	—	3	—	27	5	32	34
Total pharmaceuticals	2	30	32	—	32	—	28	1	28	60
Benefit paid pharmaceuticals	2	30	32	—	32	—	9	—	9	41
All other pharmaceuticals	—	—	—	—	—	—	19	1	20	20
Aids and appliances	—	2	2	—	2	—	10	1	10	13
Other non-institutional services	18	18	35	66	101	—	36	—	36	138
Community and public health ^(c)	1	10	11	62	73	—	—	—	—	73
Dental services	—	1	1	4	5	—	36	—	36	41
Administration	16	7	24	—	24	—	—	—	—	24
Research	—	33	33	4	37	—	—	4	4	41
<i>Total non-institutional</i>	25	174	199	70	269	—	132	22	154	423
Total recurrent expenditure	33	269	302	199	501	37	143	41	221	722
Capital expenditure	—	10	10	13	24	n.a.	n.a.	n.a.	^(d) —	24
Capital consumption	—	—	—	16	16	..	..	..	^(e) ..	16
Total health expenditure	33	279	312	229	541	n.a.	n.a.	n.a.	221	762

Notes: See page 115.

Table B26: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	8	93	101	138	240	37	18	24	78	318
Public non-psychiatric hospitals	4	93	97	138	235	9	-1	15	23	258
Private hospitals	4	—	4	—	4	28	18	9	55	60
High-level residential aged care	2	22	24	—	23	—	6	—	6	30
Ambulance	—	—	—	4	4	—	3	—	3	7
<i>Total institutional</i>	<i>10</i>	<i>115</i>	<i>125</i>	<i>142</i>	<i>267</i>	<i>37</i>	<i>26</i>	<i>24</i>	<i>88</i>	<i>355</i>
Medical services	8	90	98	—	98	—	33	12	45	143
Other professional services	—	2	3	—	3	—	26	7	33	35
Total pharmaceuticals	2	31	34	—	34	—	38	1	38	72
Benefit paid pharmaceuticals	2	31	34	—	34	—	9	—	9	43
All other pharmaceuticals	—	—	—	—	—	—	28	1	29	29
Aids and appliances	—	3	3	—	3	—	13	1	13	16
Other non-institutional services	—	36	37	37	74	—	38	—	38	113
Community and public health ^(c)	—	10	10	10	20	—	—	—	—	20
Dental services	—	—	—	4	5	—	38	—	38	43
Administration	—	27	27	23	50	—	—	—	—	50
Research	—	31	31	3	34	—	—	5	5	39
<i>Total non-institutional</i>	<i>11</i>	<i>194</i>	<i>204</i>	<i>40</i>	<i>245</i>	<i>—</i>	<i>148</i>	<i>25</i>	<i>173</i>	<i>417</i>
Total recurrent expenditure	21	309	330	182	512	37	174	49	260	772
Capital expenditure	—	11	11	13	24	n.a.	n.a.	n.a.	^(d) 8	32
Capital consumption	—	16	16	15	31	..	..	..	^(e) ..	31
Total health expenditure	21	336	357	210	567	n.a.	n.a.	n.a.	269	835

Notes: See page 115.

Table B27: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	15	85	99	165	264	30	22	31	84	348
Public non-psychiatric hospitals	7	80	87	165	253	5	–3	20	23	276
Private hospitals	7	5	12	—	12	25	24	11	60	72
High-level residential aged care	5	20	25	—	25	—	7	—	7	32
Ambulance	—	—	—	4	4	—	4	1	5	8
<i>Total institutional</i>	<i>19</i>	<i>105</i>	<i>124</i>	<i>169</i>	<i>293</i>	<i>30</i>	<i>33</i>	<i>32</i>	<i>96</i>	<i>388</i>
Medical services	7	93	101	—	101	—	35	11	46	147
Other professional services	—	3	3	—	3	—	39	10	49	52
Total pharmaceuticals	—	35	35	—	35	—	33	—	33	69
Benefit paid pharmaceuticals	—	35	35	—	35	—	7	—	7	43
All other pharmaceuticals	—	—	—	—	—	—	26	—	26	26
Aids and appliances	—	1	1	—	1	—	12	1	13	15
Other non-institutional services	—	47	47	44	91	—	40	—	41	132
Community and public health ^(c)	—	12	12	26	38	—	1	—	1	39
Dental services	—	—	—	6	6	—	40	—	40	46
Administration	—	35	35	12	47	—	—	—	—	47
Research	—	42	42	6	48	—	—	6	6	54
<i>Total non-institutional</i>	<i>7</i>	<i>222</i>	<i>230</i>	<i>50</i>	<i>280</i>	<i>—</i>	<i>160</i>	<i>28</i>	<i>188</i>	<i>468</i>
Total recurrent expenditure	27	327	354	219	573	30	193	61	284	856
Capital expenditure	—	13	13	17	30	n.a.	n.a.	n.a.	^(d) —	30
Capital consumption	—	20	20	13	33	..	..	..	^(e) ..	33
Total health expenditure	27	360	387	249	636	n.a.	n.a.	n.a.	284	919

Notes: See page 115.

Table B28: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	18	85	103	144	247	36	27	22	86	333
Public non-psychiatric hospitals	8	85	93	144	237	6	7	15	27	265
Private hospitals	10	—	10	—	10	30	21	7	59	68
High-level residential aged care	5	23	28	—	28	—	9	—	9	37
Ambulance	—	—	—	8	8	—	1	1	2	10
<i>Total institutional</i>	23	108	131	152	283	36	37	23	97	380
Medical services	8	100	108	—	108	—	27	12	39	147
Other professional services	—	5	5	—	5	—	31	10	41	46
Total pharmaceuticals	4	41	44	—	44	—	32	—	32	76
Benefit paid pharmaceuticals	4	41	44	—	44	—	11	—	11	55
All other pharmaceuticals	—	—	—	—	—	—	21	—	21	21
Aids and appliances	—	1	1	—	1	—	12	3	14	15
Other non-institutional services	25	34	59	90	149	—	41	—	41	190
Community and public health ^(c)	—	9	9	40	49	—	—	—	—	49
Dental services	1	—	1	4	5	—	41	—	41	47
Administration	24	25	49	46	95	—	—	—	—	95
Research	—	42	42	5	46	—	—	8	8	54
<i>Total non-institutional</i>	37	222	259	95	354	—	143	32	175	528
Total recurrent expenditure	60	330	390	246	637	36	180	55	271	908
Capital expenditure	—	26	26	12	38	n.a.	n.a.	n.a.	^(d) 14	52
Capital consumption	—	14	14	16	30	..	..	..	^(e) ..	30
Total health expenditure	60	371	431	274	705	n.a.	n.a.	n.a.	286	990

Notes: See page 115.

Table B29: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds,^(a) 1996–(\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	84	85	56	140	12	4	13	30	170
Public non-psychiatric hospitals	—	84	84	56	140	1	2	10	13	152
Private hospitals	1	—	1	—	1	12	2	3	17	18
High-level residential aged care	—	7	7	—	7	—	2	—	2	9
Ambulance	—	1	1	—	1	—	1	—	2	3
<i>Total institutional</i>	<i>1</i>	<i>92</i>	<i>93</i>	<i>56</i>	<i>149</i>	<i>12</i>	<i>8</i>	<i>13</i>	<i>34</i>	<i>182</i>
Medical services	—	33	33	—	33	1	7	4	11	45
Other professional services	—	1	1	—	1	1	6	2	8	10
Total pharmaceuticals	—	9	9	—	9	—	13	—	14	23
Benefit paid pharmaceuticals	—	9	9	—	9	—	3	—	3	11
All other pharmaceuticals	—	—	—	—	—	—	11	—	11	11
Aids and appliances	—	1	1	—	1	1	5	2	8	9
Other non-institutional services	—	21	21	148	169	5	5	—	10	180
Community and public health ^(c)	—	9	9	107	117	—	—	—	—	117
Dental services	—	—	—	5	5	2	5	—	8	13
Administration	—	12	12	36	47	3	—	—	3	50
Research	—	4	4	2	6	—	—	2	2	8
<i>Total non-institutional</i>	<i>1</i>	<i>69</i>	<i>70</i>	<i>149</i>	<i>220</i>	<i>8</i>	<i>36</i>	<i>10</i>	<i>55</i>	<i>274</i>
Total recurrent expenditure	2	162	163	205	368	21	44	23	88	456
Capital expenditure	—	1	1	14	15	n.a.	n.a.	n.a.	^(d) —	15
Capital consumption	—	—	—	6	6	..	..	..	^(e) ..	6
Total health expenditure	2	162	164	225	389	n.a.	n.a.	n.a.	88	477

Notes: See page 115.

Table B30: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds,^(a) 1997–98 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	92	93	57	150	12	1	19	32	182
Public non-psychiatric hospitals	—	91	91	57	148	1	—	16	16	165
Private hospitals	1	1	2	—	2	11	1	4	16	17
High-level residential aged care	—	8	8	—	8	—	2	—	2	9
Ambulance	—	2	2	—	2	—	2	—	2	5
<i>Total institutional</i>	<i>1</i>	<i>103</i>	<i>103</i>	<i>57</i>	<i>160</i>	<i>12</i>	<i>4</i>	<i>20</i>	<i>36</i>	<i>196</i>
Medical services	—	34	35	—	35	1	7	6	13	48
Other professional services	—	1	1	—	1	1	5	2	8	9
Total pharmaceuticals	—	9	9	2	11	—	14	—	15	26
Benefit paid pharmaceuticals	—	9	9	—	9	—	3	—	3	12
All other pharmaceuticals	—	—	—	2	2	—	11	—	12	14
Aids and appliances	—	2	2	—	2	1	5	2	8	10
Other non-institutional services	—	44	44	164	208	4	6	—	10	218
Community and public health ^(c)	—	38	38	146	184	—	—	—	—	184
Dental services	—	—	—	6	6	2	6	—	8	14
Administration	—	6	6	12	18	2	—	—	2	20
Research	—	3	3	2	5	—	—	3	3	8
<i>Total non-institutional</i>	<i>1</i>	<i>93</i>	<i>94</i>	<i>168</i>	<i>262</i>	<i>7</i>	<i>37</i>	<i>12</i>	<i>56</i>	<i>318</i>
Total recurrent expenditure	1	196	197	225	422	19	41	32	92	514
Capital expenditure	—	—	—	5	5	n.a.	n.a.	n.a.	^(d) 2	7
Capital consumption	—	1	1	6	6	..	..	..	^(e) ..	6
Total health expenditure	1	197	198	235	433	n.a.	n.a.	n.a.	94	527

Notes: See page 115.

Table B31: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds,^(a) 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	88	89	72	161	11	—	22	34	194
Public non-psychiatric hospitals	—	86	86	72	158	1	1	18	20	177
Private hospitals	1	2	3	—	3	11	—	4	14	17
High-level residential aged care	—	9	9	—	9	—	2	—	2	11
Ambulance	—	3	3	17	20	—	2	—	2	22
<i>Total institutional</i>	<i>1</i>	<i>100</i>	<i>101</i>	<i>88</i>	<i>189</i>	<i>11</i>	<i>4</i>	<i>23</i>	<i>38</i>	<i>227</i>
Medical services	1	36	36	—	36	1	7	5	14	50
Other professional services	—	2	2	—	2	1	11	3	15	17
Total pharmaceuticals	—	11	11	—	11	—	14	—	14	24
Benefit paid pharmaceuticals	—	11	11	—	11	—	2	—	2	13
All other pharmaceuticals	—	—	—	—	—	—	11	—	12	12
Aids and appliances	—	1	1	—	1	1	6	1	7	8
Other non-institutional services	—	49	49	113	162	5	14	14	33	195
Community and public health ^(c)	—	44	44	102	147	—	—	—	—	147
Dental services	—	—	—	6	6	2	14	—	16	22
Administration	—	4	4	5	10	3	—	14	17	26
Research	—	3	3	2	6	—	—	2	2	8
<i>Total non-institutional</i>	<i>1</i>	<i>102</i>	<i>102</i>	<i>116</i>	<i>218</i>	<i>8</i>	<i>52</i>	<i>25</i>	<i>85</i>	<i>302</i>
Total recurrent expenditure	2	201	203	204	407	19	56	47	122	530
Capital expenditure	—	1	1	6	7	n.a.	n.a.	n.a.	^(d) —	7
Capital consumption	—	1	1	12	13	..	..	..	^(e) ..	13
Total health expenditure	2	202	204	223	427	n.a.	n.a.	n.a.	122	549

Notes: See page 115.

Table B32: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds,^(a) 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	74	75	105	180	9	16	11	37	216
Public non-psychiatric hospitals	—	71	71	105	176	1	9	9	19	195
Private hospitals	1	3	4	—	4	9	7	2	18	22
High-level residential aged care	—	9	9	—	9	—	3	—	3	12
Ambulance	—	2	2	11	12	—	1	—	1	14
<i>Total institutional</i>	<i>1</i>	<i>84</i>	<i>86</i>	<i>116</i>	<i>201</i>	<i>9</i>	<i>19</i>	<i>12</i>	<i>41</i>	<i>242</i>
Medical services	1	39	40	—	40	1	7	5	13	53
Other professional services	—	3	3	—	3	1	13	2	16	19
Total pharmaceuticals	—	12	12	—	12	—	16	—	16	28
Benefit paid pharmaceuticals	—	12	12	—	12	—	3	—	3	15
All other pharmaceuticals	—	—	—	—	—	—	13	—	13	13
Aids and appliances	—	1	1	—	1	1	6	5	12	13
Other non-institutional services	—	71	71	137	208	5	18	—	23	231
Community and public health ^(c)	—	35	35	107	143	—	—	—	—	143
Dental services	—	1	1	—	1	1	18	—	19	20
Administration	—	35	35	30	65	4	—	—	4	68
Research	—	3	3	2	5	—	—	3	3	7
<i>Total non-institutional</i>	<i>1</i>	<i>128</i>	<i>129</i>	<i>139</i>	<i>268</i>	<i>8</i>	<i>60</i>	<i>15</i>	<i>83</i>	<i>351</i>
Total recurrent expenditure	2	213	215	254	469	18	79	26	123	593
Capital expenditure	—	1	1	8	9	n.a.	n.a.	n.a.	^(d) 1	10
Capital consumption	—	—	—	10	11	..	..	..	^(e) ..	11
Total health expenditure	2	214	216	272	488	n.a.	n.a.	n.a.	125	613

Notes: See page 115.

Notes for Appendix B tables

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

References

- Australian Bureau of Statistics (ABS) 1999. Chain volume measures in the Australian national accounts. Cat. no. 5248.0. Canberra: ABS.
- Australian Bureau of Statistics (ABS) 2001a. National income, expenditure and product, June quarter 2001. Cat. no. 5206.0. Canberra: ABS.
- Australian Bureau of Statistics (ABS) 2001b. Private hospitals Australia 1999–00. Cat. no. 4390.0. Canberra: ABS.
- Australian Bureau of Statistics (ABS) 2002. National income, expenditure and product, March quarter 2002. Cat. no. 5206.0. Canberra: ABS.
- Australian Capital Territory Department of Health, Housing and Community Care 2001. Annual report 2000–01. Canberra: Australian Capital Territory Government.
- Australian Institute of Health (AIH) 1985. Australian health expenditure, 1979–80 to 1981–82. Canberra: AGPS.
- Australian Institute of Health and Welfare (AIHW) 1998. Australian hospital statistics 1996–97. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 1999. Australian hospital statistics 1997–98. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 2000. Australian hospital statistics 1998–99. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 2001a. Australian hospital statistics 1999–00. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 2001b. National public health expenditure report 1998–99. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 2002a. Australia's health 2002. Canberra: AIHW.
- Australian Institute of Health and Welfare (AIHW) 2002b. Australian hospital statistics 2000–01. Canberra: AIHW.
- Department of Health and Aged Care (DHAC) 1999. Annual report 1998–99. Canberra: DHAC.
- Department of Health and Aged Care (DHAC) 2000. Annual report 1999–00. Canberra: DHAC.
- Department of Health and Aged Care (DHAC) 2001. Annual report 2000–01. Canberra: DHAC.
- Department of Health and Family Services (DHFS) 1998. Annual report 1997–98. Canberra: DHFS.
- Department of the Treasury (Treasury) 2001. 2001 tax expenditures statement. Canberra: AGPS.

Feros P (ed.) 1998. Pharmacy 2000: management and marketing for pharmacists, 1998 (Issue no. 3). Sydney: Pharmacy Works.

Feros P (ed.) 1999. Pharmacy 2000: management and marketing for pharmacists, 1999 (Issue no. 3). Sydney: Pharmacy Works.

Feros P (ed.) 2000. Pharmacy 2000: management and marketing for pharmacists, 2000 (Issue no. 3). Sydney: Pharmacy Works.

Feros P (ed.) 2001. Pharmacy 2000: management and marketing for pharmacists, 2001 (Issue no. 3). Sydney: Pharmacy Works.

Health Department of Western Australia 2001. Annual report 2000–01. Perth: Health Department of Western Australia.

New South Wales Health Department 2001. Annual report 2000–01. Sydney: New South Wales Health Department.

Northern Territory Health Services 2001. Annual report 2000–01. Darwin: Territory Health Services.

Organisation for Economic Co-operation and Development (OECD) 2000. A system of health accounts, version 1.0. Paris: OECD.

Private Health Insurance Administration Council 2001. Annual report 2000–01. Canberra: AusInfo.

Queensland Health 2001. Annual report 2000–01. Brisbane: Queensland Health.

South Australian Department of Human Services 2001. Annual report 2000–01. Adelaide: South Australian Department of Human Services.

Tasmanian Department of Health and Human Services 2001. Annual report 2000–01. Hobart: Tasmanian Department of Health and Human Services.

Victorian Department of Human Services 2001. Annual report 2000–01. Melbourne: Victorian Department of Human Services.