

Health expenditure bulletin

No. 17

**Australia's health services
expenditure to 1999–00**

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Australia's health services
expenditure to 1999–00

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Contents

List of tables	vi
List of figures	viii
Abbreviations and symbols used in tables	ix
Introduction	1
Highlights	2
Total health services expenditure	3
Health services expenditure and the general level of economic activity	4
Health services expenditure per person	6
Total health expenditure, by State and Territory	7
Sources of funding for health services expenditure	9
Recurrent expenditure on health and health-related services and facilities	25
Expenditure on health services	25
Expenditure on health-related services and facilities	37
Health-related investment	39
Capital formation	39
International comparison	41
Health prices	45
Technical notes	46
Methods used to produce estimates	46
Definitions, sources and notes	48
Revisions of definitions and estimates	50
Appendix A: National health expenditure matrices, 1989–90 to 1998–99	52
Notes for Appendix A tables	65
Appendix B: State and Territory health expenditure matrices, 1996–97 to 1998–99	66
Notes for Appendix B tables	92
References	93

List of tables

Table 1:	Total health services expenditure, current and constant prices, and annual growth rates, 1989-90 to 1999-00.....	4
Table 2:	Total health services expenditure and GDP, current prices, and annual growth rates, 1989-90 to 1999-00.....	5
Table 3:	Total health services expenditure and GDP, constant prices, and annual growth rates, 1989-90 to 1999-00.....	5
Table 4:	Annual rates of health inflation, 1989-90 to 1999-00 (%).....	6
Table 5:	Average health services expenditure per person, current and constant prices, and annual growth rates, 1989-90 to 1999-00.....	7
Table 6:	Total health services expenditure, current prices, by State and Territory, 1996-97 to 1999-00 (\$ million).....	8
Table 7:	Total health services expenditure, constant prices, by State and Territory, 1996-97 to 1999-00 (\$ million).....	8
Table 8:	Total health services expenditure, constant prices, all sources of funding, by State and Territory, annual growth rates, 1996-97 to 1999-00 (%).....	9
Table 9:	Average health services expenditure per person, current prices, by State and Territory, 1996-97 to 1999-00 (\$).....	9
Table 10:	Total health services expenditure, by broad source of funds, current prices, 1989-90 to 1999-00 (\$ million).....	10
Table 11:	Total health services expenditure, current prices, by broad source of funds, as a proportion of total health services expenditure, 1989-90 to 1999-00 (%).....	11
Table 12:	Total health services expenditure, constant prices, and annual growth rates, by broad source of funds, 1989-90 to 1999-00.....	12
Table 13:	Total health services expenditure by the Commonwealth Government, current prices, by type of expenditure, 1989-90 to 1999-00 (\$ million).....	14
Table 14:	Commonwealth taxation expenditures, constant prices, 1989-90 to 1999-00.....	16
Table 15:	Distribution of non-government sector funding of recurrent health services expenditure, by source of funds, 1989-90 to 1999-00 (%).....	20
Table 16:	Expenditure on health services and administration through private health insurance funds, constant prices, and annual growth rates, 1989-90 to 1999-00.....	22
Table 17:	Expenditure on health services funded through health insurance funds, by area of expenditure and contributions income of health insurance funds, current prices, 1997-98 to 1999-00.....	24
Table 18:	Recurrent funding of hospitals, constant prices, by broad type of hospital, and annual growth rates, 1989-90 to 1999-00.....	28

Table 19:	Distribution of expenditure on public (non-psychiatric) hospitals, by broad source of funds, 1989-90 to 1999-00 (%)	29
Table 20:	Recurrent funding of public (non-psychiatric) hospitals, constant prices, by source of funds, and annual growth rates, 1989-90 to 1999-00.....	30
Table 21:	Recurrent funding of medical services, constant prices, by source of funds, and annual growth rates, 1989-90 to 1998-99.....	33
Table 22:	Recurrent funding of dental services, constant prices, by source of funds, and annual growth rates, 1989-90 to 1998-99.....	34
Table 23:	Recurrent expenditure on benefit paid pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1989-90 to 1999-00.....	36
Table 24:	Recurrent expenditure on other pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1989-90 to 1999-00.....	37
Table 25:	Recurrent funding for health research, constant prices, and annual growth rates, by broad source of funds, 1989-90 to 1999-00.....	38
Table 26:	Outlays on capital, constant prices, by source of funds, 1989-90 to 1999-00 (\$ million)	39
Table 27:	Total health services expenditure as a proportion of GDP, Australia and selected OECD member countries, 1990 to 1999 (%)	42
Table 28:	Total health services expenditure per person, Australia and other selected OECD member countries, current prices, 1990 to 1999 (A\$)	43
Table 29:	Components of growth in health services expenditure, Australia and other selected OECD member countries, 1990 to 1999 (%)	44
Table 30:	Total health price index and industry-wide indexes (reference year 1998-99=100), 1989-90 to 1999-00.....	45

List of figures

Figure 1:	Total health services expenditure and annual growth, constant prices, 1989-90 to 1999-00	3
Figure 2:	Estimated total health services expenditure by source of funds, current prices, 1999-00.....	10
Figure 3:	Government sector financing of health services, current prices, by source and type of funding, 1999-00	13
Figure 4:	General recurrent outlays on health services by the Commonwealth Government (excluding DVA), by type of funding, current prices, 1998-99.....	15
Figure 5:	Recurrent funding of health services by State and local governments' own resources, by broad areas of expenditure, current prices, 1998-99.....	18
Figure 6:	Estimated funding of health services by non-government sources of funds, current prices, 1999-00	19
Figure 7:	Recurrent funding of health services through health insurance funds, by area of expenditure, current prices, 1999-00.....	21
Figure 8:	Funding of health services by private health insurance funds, constant prices, 1989-90 to 1999-00	22
Figure 9:	Recurrent expenditure on health services, by broad area of expenditure, Australia, 1998-99	26
Figure 10:	Recurrent expenditure on hospital services, constant prices, by broad type of hospital, Australia, 1989-90 to 1999-00.....	27
Figure 11:	Expenditure on public (non-psychiatric) hospitals, by source of funds, constant prices, 1989-90 to 1999-00	30
Figure 12:	Recurrent expenditure on private hospitals, by source of funds, 1998-99	31
Figure 13:	Recurrent expenditure on medical services, by source of funds, 1998-99.....	32
Figure 14:	Annual real growth in expenditure on pharmaceuticals and other non-durable health goods, 1989-90 to 1998-99 (%).....	35
Figure 15:	Recurrent expenditure on health research by broad source of funds, Australia, 1998-99 (%)	38
Figure 16:	Outlays of capital, constant prices , by broad source of funds, Australia, 1989-90 to 1999-00	40

Abbreviations and symbols used in tables

n.a.	not available
..	not applicable
nec	not elsewhere classified
—	nil or rounded down to zero
r	revised

Introduction

Monitoring expenditure is an important tool in improving the efficiency and effectiveness of health services. This involves not only being aware of the overall level of expenditure, but being aware of pressures and trends that influence expenditure.

This is the seventeenth in the series of health expenditure bulletins produced by the Australian Institute of Health and Welfare (AIHW) since 1986. It reports on expenditure on health services in Australia by area of expenditure and source of funds from 1989–90 to 1998–99. It also provides estimates of recurrent, capital and total expenditure by source of funds for 1999–00.

Expenditure is analysed in terms of who provides the funding for health services and the types of services that attract that funding.

The bulletin also provides individual health expenditure matrices for each of the States and Territories for the years 1996–97 to 1998–99.

Most funding for health services expenditure is provided by the Commonwealth and the State and Territory Governments. Therefore, as well as looking at the whole period from 1989–90 to 1999–00, analyses of trends in expenditure have been linked to the periods covered by the major health services funding agreements between these two levels of government. These are:

- up to 1992–93;
- from 1992–93 to 1997–98; and
- from 1997–98.

Australia's expenditure on health services increased, as a proportion of gross domestic product (GDP), between 1989–90 and 1999–00. The bulletin identifies the two main factors driving the growth in this ratio as:

- differences in growth between the provision and use of health services; and
- excess health inflation.

Nine member countries of the Organisation for Economic Cooperation and Development (OECD) were compared with Australia (Tables 27–29). In that international context, Australia's expenditure on health services, in per person terms, was similar to that of France and the Netherlands and, as a proportion of GDP, was similar to Sweden.

The tables and figures in the bulletin detail expenditure in terms of current and constant prices. Constant price expenditure adjusts for the effects of inflation using chain volume measures. Because the reference year for the chain volume measures is 1998–99, the constant price estimates indicate what expenditure would have been had 1998–99 prices applied in all years.

Expenditure estimates for 1996–97 and 1997–98 have been revised since the publication of *Health Expenditure Bulletin No.16*. These revisions, which are detailed in the Technical notes, related to expenditure on high-care residential aged care and community and public health.

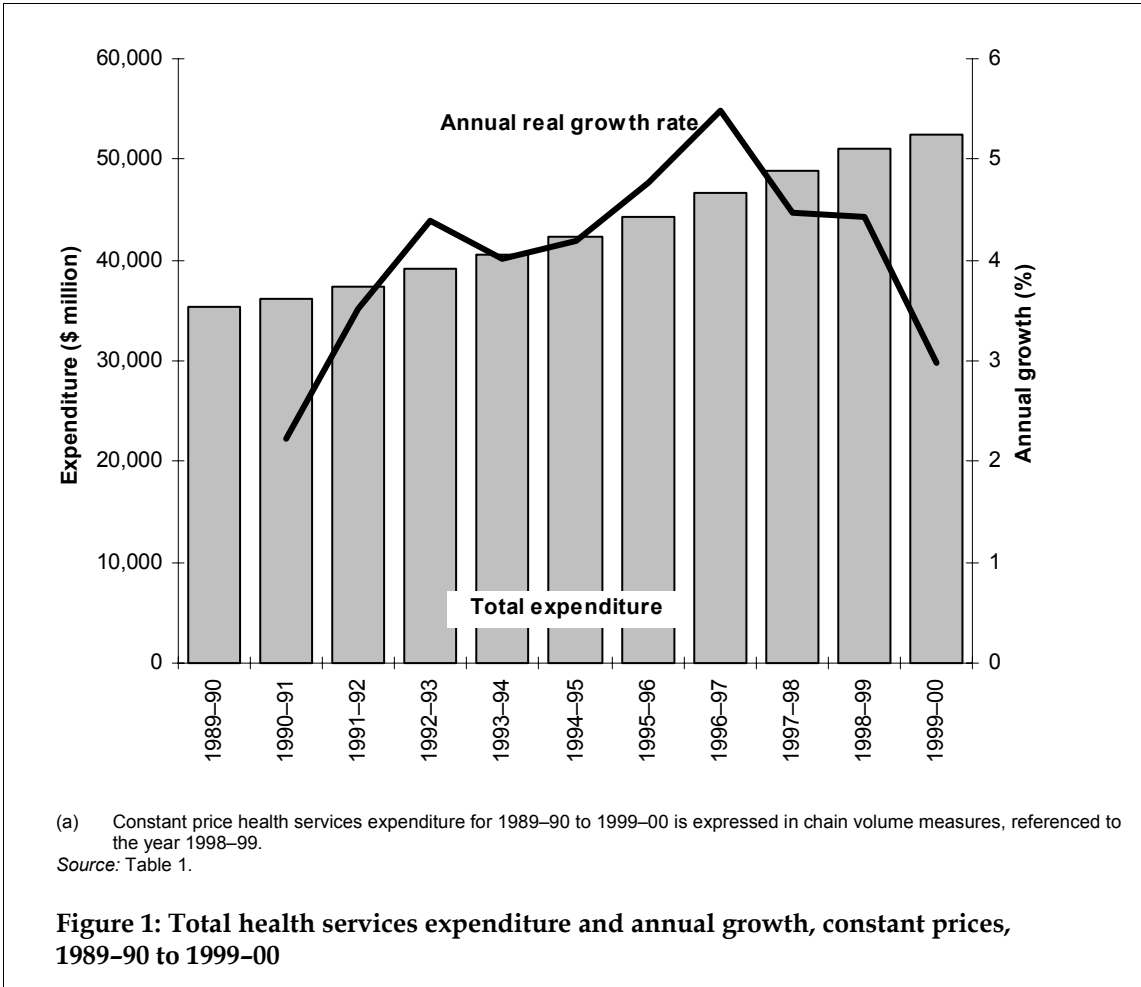
Highlights

- Total health services expenditure, including expenditure by government and non-government sources, was estimated at \$53.7 billion in 1999-00. This is equivalent to \$2,817 per person.
- Expenditure on health services reached 8.6% of GDP in 1998-99, before falling to 8.5% in 1999-00.
- Real growth in expenditure on health services grew at an average of 4.0% between 1989-90 and 1999-00.
- The rate of real growth has been slowing each year since 1996-97 when it reached 5.5%. In 1999-00, estimated real growth was 3.0%.
- Health prices increased, on average, 0.7% faster than the general inflation rate between 1989-90 and 1999-00.
- The Commonwealth Government's rebate to private health insurance members increased its expenditure by \$1.6 billion in 1999-00, with an off-setting decrease in expenditure by non-government sources.
- The non-government sector's share of the funding of health services decreased from 32.8% in 1996-97 to 28.8% in 1999-00.

Total health services expenditure

Total expenditure on health services and health-related services in Australia in 1999-00 was estimated at \$53.7 billion (Table 1). This was an increase of \$2.6 billion over the previous year.

After allowing for inflation, the growth between 1998-99 and 1999-00 in 1998-99 prices was \$1.5 billion – a real rate of growth of 3.0%.



Although national expenditure on health continues to increase, the rate of real increase has slowed each year following its peak of 5.5% in 1996-97 (Table 1 and Figure 1).

Table 1: Total health services expenditure, current and constant prices^(a), and annual growth rates, 1989–90 to 1999–00

Year	Amount (\$m)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1989–90	28,800	35,347	..	..
1990–91	31,270	36,136	8.6	2.2
1991–92	33,087	37,403	5.8	3.5
1992–93	34,993	39,043	5.8	4.4
1993–94	36,787	40,613	5.1	4.0
1994–95	38,967	42,314	5.9	4.2
1995–96	41,783	44,329	7.2	4.8
1996–97 ^r	44,851	46,757	7.3	5.5
1997–98 ^r	47,648	48,849	6.2	4.5
1998–99	51,011	51,011	7.1	4.4
1999–00 ^(b)	53,657	52,535	5.2	3.0
Average annual growth rates				
1989–90 to 1992–93			6.7	3.4
1992–93 to 1997–98			6.4	4.6
1997–98 to 1999–00			6.1	3.7
1989–90 to 1999–00			6.4	4.0

^r Revised (see Technical notes).

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Health services expenditure and the general level of economic activity

At the national level, GDP is the measure that is often used to indicate the overall level of economic activity. Australia's health services expenditure-to-GDP ratio increased from 8.4% in 1997–98 to 8.6% in 1998–99 and fell to 8.5% in 1999–00 (Table 2).

Since 1989–90, the largest increases in the ratio occurred in the first two years – from 1989–90 to 1991–92 – as Australia moved through and out of recession.

From 1989–90 to 1990–91, health expenditure grew by 2.2% while real GDP declined by 0.2%. This, combined with the effect of the difference between health inflation (6.2%) and general inflation (3.5%), caused the large movement in the ratio, from 7.5% to 7.9%. The increase in the ratio during 1991–92 was almost entirely caused by the differences in the real growth rates – health services expenditure grew, in real terms, by 3.5% while GDP grew by only 0.4% (Table 3).

After 1991–92, the notable changes in the ratio occurred in two years – 1996–97 and 1998–99. In 1996–97 the main cause was the difference between real growth in expenditure on health services (5.5%) and real growth in GDP (3.6%). In 1998–99, however, despite real GDP growth (5.4%) being higher than the growth in health services expenditure (4.4%), the ratio increased from 8.4% in 1997–98 to 8.6%. The cause of that increase in the ratio was excess health inflation – that is, the difference between the health services inflation rate of 2.5% and the general inflation rate of 0.1% (Table 4).

The decrease in the ratio from 1998–99 to 1999–00 is largely the result of GDP having faster real growth (4.3%) than estimated health services expenditure (3.0%).

Table 2: Total health services expenditure and GDP, current prices, and annual growth rates, 1989–90 to 1999–00

Year	Total health services expenditure		GDP		Ratio of health services expenditure to GDP (%)
	Amount (\$m)	Nominal growth rate (%)	Amount (\$m)	Nominal growth rate (%)	
1989–90	28,800	..	384,238	..	7.5
1990–91	31,270	8.6	396,684	3.2	7.9
1991–92	33,087	5.8	405,961	2.3	8.2
1992–93	34,993	5.8	426,746	5.1	8.2
1993–94	36,787	5.1	449,416	5.3	8.2
1994–95	38,967	5.9	473,381	5.3	8.2
1995–96	41,783	7.2	506,975	7.1	8.2
1996–97 ^r	44,851	7.3	532,170	5.0	8.4
1997–98 ^r	47,648	6.2	564,653	6.1	8.4
1998–99	51,011	7.1	595,417	5.4	8.6
1999–00 ^(a)	53,657	5.2	632,416	6.2	8.5
Average annual growth rates					
1989–90 to 1992–93		6.7		3.6	
1992–93 to 1997–98		6.4		5.8	
1997–98 to 1999–00		6.1		5.8	
1989–90 to 1999–00		6.4		5.1	

^r Revised (see Technical notes).

^(a) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 1999b.

Table 3: Total health services expenditure and GDP, constant prices^(a), and annual growth rates, 1989–90 to 1999–00

Year	Total health services expenditure		GDP	
	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)
1989–90	35,347	..	441,385	..
1990–91	36,136	2.2	440,389	-0.2
1991–92	37,403	3.5	442,023	0.4
1992–93	39,043	4.4	457,985	3.6
1993–94	40,613	4.0	476,989	4.1
1994–95	42,314	4.2	498,550	4.5
1995–96	44,329	4.8	520,261	4.4
1996–97 ^r	46,757	5.5	539,088	3.6
1997–98 ^r	48,849	4.5	565,126	4.8
1998–99	51,011	4.4	595,417	5.4
1999–00 ^(b)	52,535	3.0	621,186	4.3
Average annual growth rates				
1989–90 to 1992–93		3.4		1.2
1992–93 to 1997–98		4.6		4.3
1997–98 to 1999–00		3.7		4.8
1989–90 to 1999–00		4.0		3.5

^r Revised (see Technical notes).

^(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

^(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 1999b.

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 services 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 the section on Health prices and Table 30 for discussion of different indexes). Australia's health inflation has tended to move ahead of the general level of inflation. This tendency is referred to as excess health inflation.

Between 1989–90 and 1999–00, the average rate of general inflation was 1.6% per annum (Table 4). Health inflation during that period averaged 2.3% per year, giving an excess health inflation rate of 0.7% per year.

Excess health inflation explains much of the increase in the health services expenditure-to-GDP ratio since 1989–90. Had health prices increased in line with the general rate of inflation between 1989–90 and 1999–00, the ratio in 1999–00 would have been 7.9% instead of 8.5%.

Table 4: Annual rates of health inflation, 1989–90 to 1999–00 (%)

Period	Health inflation	General inflation ^(a)	Excess health inflation
1989–90 to 1990–91	6.2	3.5	2.6
1990–91 to 1991–92	2.2	2.0	0.3
1991–92 to 1992–93	1.3	1.5	–0.1
1992–93 to 1993–94	1.1	1.1	–0.1
1993–94 to 1994–95	1.7	0.8	0.9
1994–95 to 1995–96	2.4	2.6	–0.3
1995–96 to 1996–97	1.8	1.3	0.5
1996–97 to 1997–98	1.7	1.2	0.5
1997–98 to 1998–99	2.5	0.1	2.4
1998–99 to 1999–00	2.1	1.8	0.3
Average annual rates of inflation			
1989–90 to 1992–93	3.2	2.3	0.9
1992–93 to 1997–98	1.7	1.4	0.3
1997–98 to 1999–00	2.3	0.9	1.4
1989–90 to 1999–00	2.3	1.6	0.7

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

Sources: AIHW health expenditure database and ABS 1999b.

Health services expenditure per person

As the population grows, it could be anticipated that expenditure on health services would also increase, just to maintain the level of 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.

Table 5: Average health services expenditure per person, current and constant prices^(a), and annual growth rates, 1989–90 to 1999–00

Year	Amount (\$)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1989–90	1,700	2,087	..	..
1990–91	1,820	2,104	7.1	0.8
1991–92	1,902	2,150	4.5	2.2
1992–93	1,990	2,220	4.6	3.2
1993–94	2,071	2,286	4.1	3.0
1994–95	2,170	2,356	4.8	3.1
1995–96	2,296	2,436	5.8	3.4
1996–97 ^r	2,434	2,538	6.0	4.2
1997–98 ^r	2,557	2,621	5.0	3.3
1998–99	2,706	2,706	5.8	3.2
1999–00 ^(b)	2,817	2,758	4.1	1.9
Average annual growth rates				
1989–90 to 1992–93			5.4	2.1
1992–93 to 1997–98			5.1	3.4
1997–98 to 1999–00			5.0	2.6
1989–90 to 1999–00			5.2	2.8

^r Revised (see Technical notes).

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

During 1999–00, estimated per person expenditure on health services in Australia averaged \$2,817 (Table 5).

Real growth in per person health expenditure between 1989–90 and 1999–00 averaged 2.8% per year, compared with 4.0% for aggregate national health expenditure (see Table 1). The difference between these two growth rates is the result of growth in the overall size of the Australian population.

Total health expenditure, by State and Territory

As well as being affected by national priorities, expenditure on health services in Australia is significantly 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 6: Total health services expenditure, current prices, by State and Territory, 1996–97 to 1999–00 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia ^(a)
1996–97	15,773	10,943	7,965	3,949	3,695	1,298	739	489	44,851
1997–98	16,631	11,554	8,490	4,539	3,853	1,238	794	549	47,648
1998–99	17,567	12,530	9,197	4,804	4,083	1,289	862	542	51,011
1999–00 ^(b)	18,418	13,146	9,710	5,046	4,338	1,398	869	587	53,657

(a) Sum of individual States and Territories do not add to the Australian total in 1998–99 and 1999–00 due to inability to allocate some expenditures in those years.

(b) 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 1999–00, 58.8% (\$31.6 billion) of the national total health expenditure of \$53.7 billion was incurred in the two most populous States, New South Wales (34.3%) and Victoria (24.5%) (Table 6). These two States account for 58.6% of the total Australian population.

Between 1996–97 and 1999–00, Western Australia had the highest average annual rate of real growth in health expenditure (6.4%) and Tasmania the lowest (0.6%) (Table 8).

The higher growth in Western Australia was driven by rapid growth in reported public hospital expenditure between 1996–97 and 1997–98. In that year, total expenditure on public hospitals (including public psychiatric hospitals) in Western Australia, in current prices, went from \$1,146 million to \$1,322 million (AIHW 1998, 1999). This represented, after removing the effects of inflation, a real increase of 14.0% in one year. Similarly, in Tasmania the lower-than-average growth was the result of negative real growth in reported expenditure on public hospitals during the period 1996–97 to 1997–98.

Table 7: Total health services expenditure, constant prices^(a), by State and Territory, 1996–97 to 1999–00 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia ^(b)
1996–97	16,602	11,364	8,234	4,103	3,832	1,346	770	505	46,757
1997–98	17,123	11,816	8,683	4,646	3,942	1,267	811	560	48,849
1998–99	17,567	12,530	9,197	4,804	4,083	1,289	862	544	51,011
1999–00 ^(c)	18,027	12,866	9,512	4,941	4,248	1,369	853	574	52,535

(a) Constant price health services expenditure for 1996–97 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(b) Sum of individual States and Territories do not add to the Australian total in 1998–99 and 1999–00 due to inability to allocate some expenditures in those years.

(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

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 1999–00, four States recorded average annual growth rates that were above the national average of 3.7%. These were Victoria (4.3%), Queensland (4.7%), South Australia (3.8%) and Tasmania (3.9%). New South Wales (2.6%), Western Australia (3.1%) and the two Territories had growth rates that were below the national average (Table 8).

Table 8: Total health services expenditure, constant prices^(a), all sources of funding, by State and Territory, annual growth rates, 1996–97 to 1999–00 (%)

Period	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1996–97 to 1997–98	3.1	4.0	5.4	13.2	2.9	–5.8	5.3	10.7
1997–98 to 1998–99	2.6	6.0	5.9	3.4	3.6	1.7	6.2	–3.1
1998–99 to 1999–00	2.6	2.7	3.4	2.8	4.1	6.2	–1.0	5.8
Average annual growth rates								
1996–97 to 1999–00	2.8	4.2	4.9	6.4	3.5	0.6	3.5	4.3
1997–98 to 1999–00	2.6	4.3	4.7	3.1	3.8	3.9	2.6	1.3

(a) Constant price health services expenditure for 1996–97 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

Source: AIHW health expenditure database.

On a per person basis, in 1999–00 Victoria (\$2,775), Queensland (\$2,746), Western Australia (\$2,695) and the Australian Capital Territory (\$2,801) had average levels of expenditure that were lower than the estimated national average of \$2,817. The Northern Territory, with an average estimated at \$3,022, had the highest per capita level of expenditure on health (Table 9).

Table 9: Average health services expenditure per person, current prices, by State and Territory, 1996–97 to 1999–00 (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	2,527	2,387	2,364	2,216	2,502	2,738	2,395	2,645	2,434
1997–98	2,637	2,494	2,477	2,502	2,598	2,619	2,580	2,914	2,557
1998–99	2,755	2,674	2,640	2,602	2,740	2,737	2,791	2,842	2,706
1999–00 ^(a)	2,864	2,775	2,746	2,695	2,900	2,971	2,801	3,022	2,817

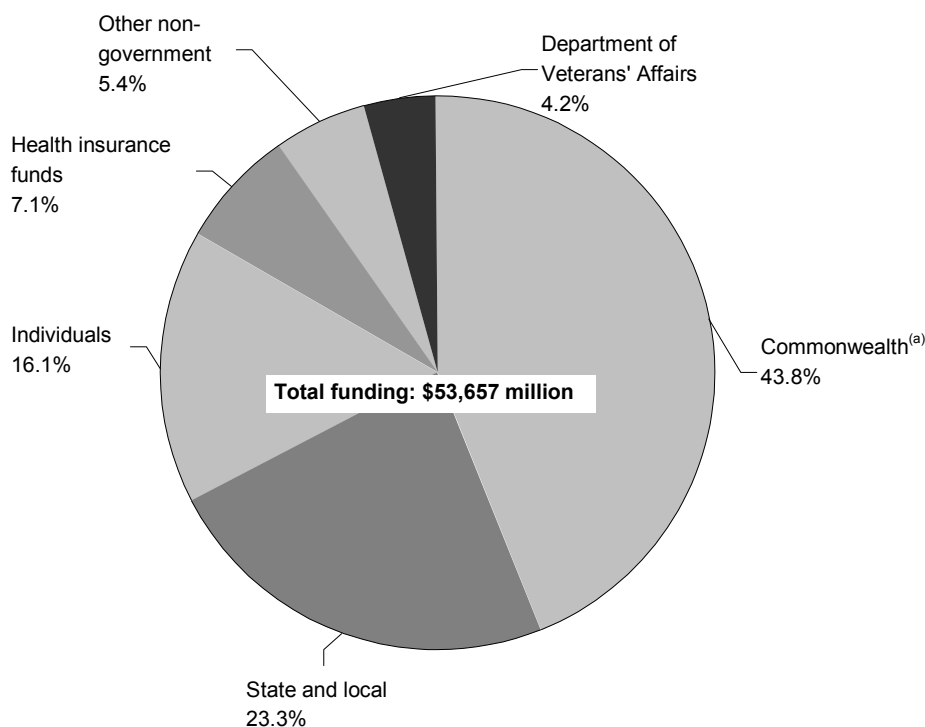
(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Sources of funding for health services expenditure

The major sources of funding for health services in Australia are the Commonwealth Government, State and Territory Governments, local government authorities, private health insurance funds, individuals and other non-government sources.

In 1999–00, the Commonwealth Government's funding of health services was estimated at \$25.8 billion (Table 10). This was 48.0% of total expenditure on health services by all sources of funds (Table 11 and Figure 2). State and local government sources provided 23.2% of all funding for health services. The remaining 28.8% was provided by non-government funding sources.



(a) Not including Department of Veterans' Affairs.

Sources: Table 10, Table 13 and Table 17.

Figure 2: Estimated total health services expenditure by source of funds, current prices, 1999-00

Table 10: Total health services expenditure, by broad source of funds, current prices, 1989-90 to 1999-00 (\$ million)

Year	Government			Non-government ^(a)	Total
	Commonwealth ^(a)	State and local	Total		
1989-90	12,164	7,513	19,677	9,122	28,800
1990-91	13,200	7,958	21,158	10,112	31,270
1991-92	14,167	8,138	22,305	10,783	33,087
1992-93	15,291	8,202	23,494	11,499	34,993
1993-94	16,683	7,868	24,550	12,237	36,787
1994-95	17,551	8,460	26,010	12,957	38,967
1995-96	18,997	9,260	28,257	13,526	41,783
1996-97 ^r	19,806	10,315	30,122	14,730	44,851
1997-98 ^r	21,621	11,397	33,018	14,629	47,648
1998-99	23,892	11,852	35,745	15,266	51,011
1999-00 ^(b)	25,771	12,519	38,291	15,366	53,657

^r Revised (see Technical notes).

(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 11: Total health services expenditure, current prices, by broad source of funds, as a proportion of total health services expenditure, 1989–90 to 1999–00 (%)

Year	Government			Non-government ^(a)	Total
	Commonwealth ^(a)	State and local	Total		
1989–90	42.2	26.1	68.3	31.7	100.0
1990–91	42.2	25.5	67.7	32.3	100.0
1991–92	42.8	24.6	67.4	32.6	100.0
1992–93	43.7	23.4	67.1	32.9	100.0
1993–94	45.3	21.4	66.7	33.3	100.0
1994–95	45.0	21.7	66.7	33.3	100.0
1995–96	45.5	22.2	67.6	32.4	100.0
1996–97	44.2	23.0	67.2	32.8	100.0
1997–98	45.4	23.9	69.3	30.7	100.0
1998–99	46.8	23.2	70.1	29.9	100.0
1999–00 ^(b)	48.0	23.2	71.2	28.8	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.

Government policies, both Commonwealth and State, have marked impacts on the levels and distribution of funding for health services. For example, the Commonwealth Government's subsidies to private health insurance members 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 \$121 million to \$717 million in 1999–00.

Table 12: Total health services expenditure, constant prices^(a), and annual growth rates, by broad source of funds, 1989–90 to 1999–00

Year	Government						Non-government ^(b)			
	Commonwealth ^(b)		State & local		Total				Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth(%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1989–90	14,720	..	9,107	..	23,827	..	11,520	..	35,347	..
1990–91	14,917	1.3	9,216	1.2	24,133	1.3	12,003	4.2	36,136	2.2
1991–92	15,833	6.1	9,175	–0.5	25,008	3.6	12,395	3.3	37,403	3.5
1992–93	16,824	6.3	9,144	–0.3	25,968	3.8	13,075	5.5	39,043	4.4
1993–94	18,212	8.3	8,704	–4.8	26,917	3.7	13,696	4.8	40,613	4.0
1994–95	18,921	3.9	9,234	6.1	28,154	4.6	14,159	3.4	42,314	4.2
1995–96	20,094	6.2	9,803	6.2	29,897	6.2	14,432	1.9	44,329	4.8
1996–97	20,637	2.7	10,759	9.8	31,396	5.0	15,361	6.4	46,757	5.5
1997–98	22,205	7.6	11,684	8.6	33,889	7.9	14,959	–2.6	48,849	4.5
1998–99	23,892	7.6	11,852	1.4	35,745	5.5	15,266	2.1	51,011	4.4
1999–00 ^(c)	25,556	7.0	12,191	2.9	37,747	5.6	14,788	–3.1	52,535	3.0
Average annual growth rates										
1989–90 to 1992–93		4.6		0.1		2.9		4.3		3.4
1992–93 to 1997–98		5.7		5.0		5.5		2.7		4.6
1997–98 to 1999–00		7.3		2.1		5.5		–0.6		3.7
1989–90 to 1999–00		5.7		3.0		4.7		2.5		4.0

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

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

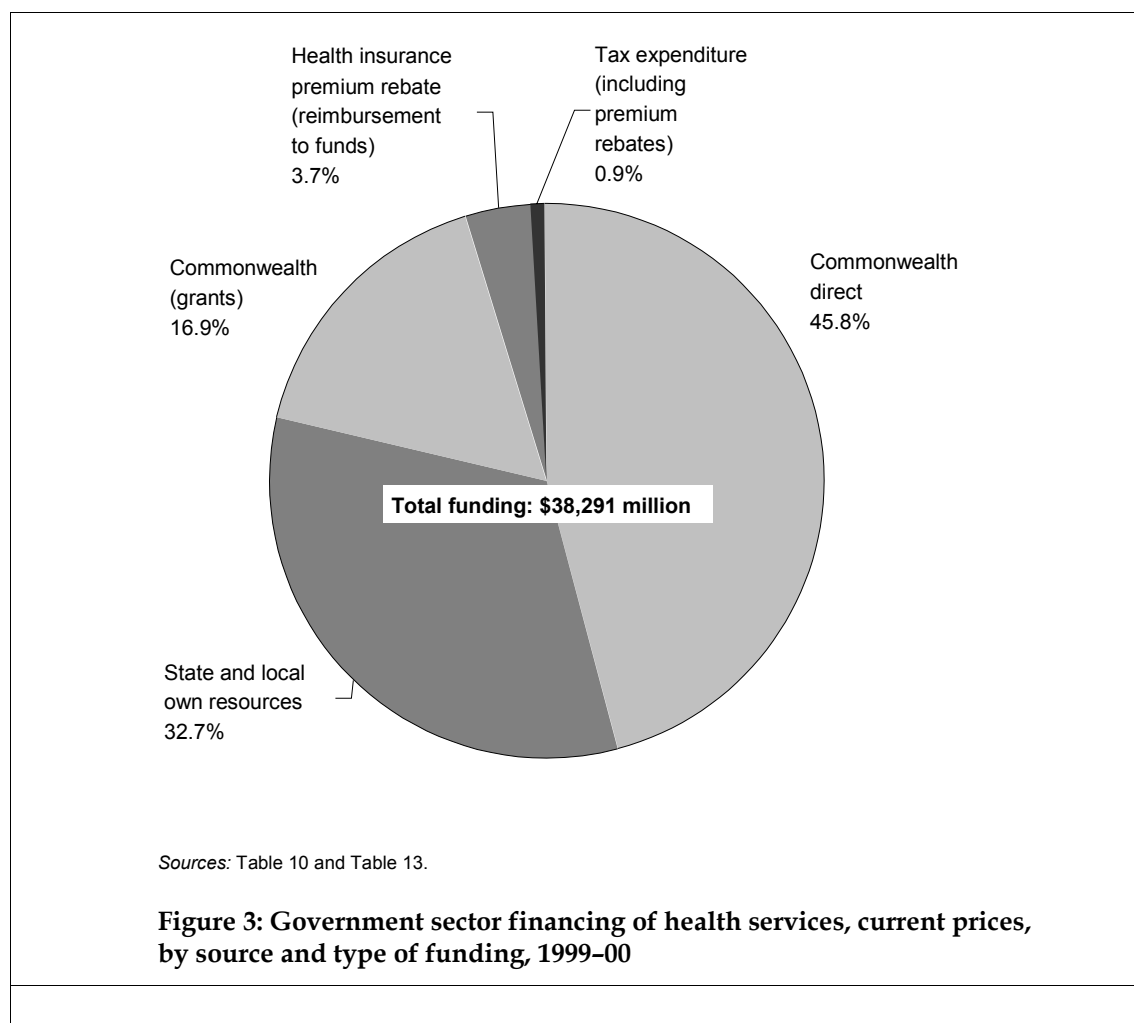
(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Government expenditure

Between 1989–90 and 1999–00, expenditure on health services by governments in Australia grew at a higher average annual real rate (4.7%) than did total expenditure on health by all sources, which averaged 4.0% per year (Table 12).

As a consequence, the contribution of governments to the funding of total expenditure on health services increased from 68.3% in 1989–90 to 71.2% in 1999–00 (Table 11).



Commonwealth

In 1999–00 the Commonwealth Government provided 67.3% of estimated total government expenditure (Figure 3).

Its proportion increased each year from 1997–98, when its share of government funding was 65.5%. This was largely due to the effect of its subsidy to private health insurance under the *Private Health Insurance Incentives Act 1997*.

In 1997, the Commonwealth passed the *Private Health Insurance Incentives Act 1997*. This 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 a 30% rebate on premiums, which was available to all people with private health insurance cover. Once again, 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 \$1,634 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. The full effect of that strategy will not, however, be felt until 2000–01.

Table 13: Total health services expenditure by the Commonwealth Government, current prices, by type of expenditure, 1989–90 to 1999–00 (\$ 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
1989–90	1,077	3,370	..	7,657	12,104	..	61	61	12,164
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	13,674	21,331	160	130	290	21,621
1998–99	2,107	6,328	782	14,350	23,567	180	145	325	23,892
1999–00 ^(a)	2,273	6,472	1,414	15,269	25,426	220	125	345	25,771

(a) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

Department of Veterans’ Affairs

Expenditure by the Department of Veterans’ Affairs (DVA) on health services is for the purchase of health 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-care residential aged care services accounted for 65.3% of its total expenditure on health services during 1998–99 of \$2,107 million, which is estimated to have increased to \$2,273 million in 1999–00 (Table 13).

Other Commonwealth sources of funding

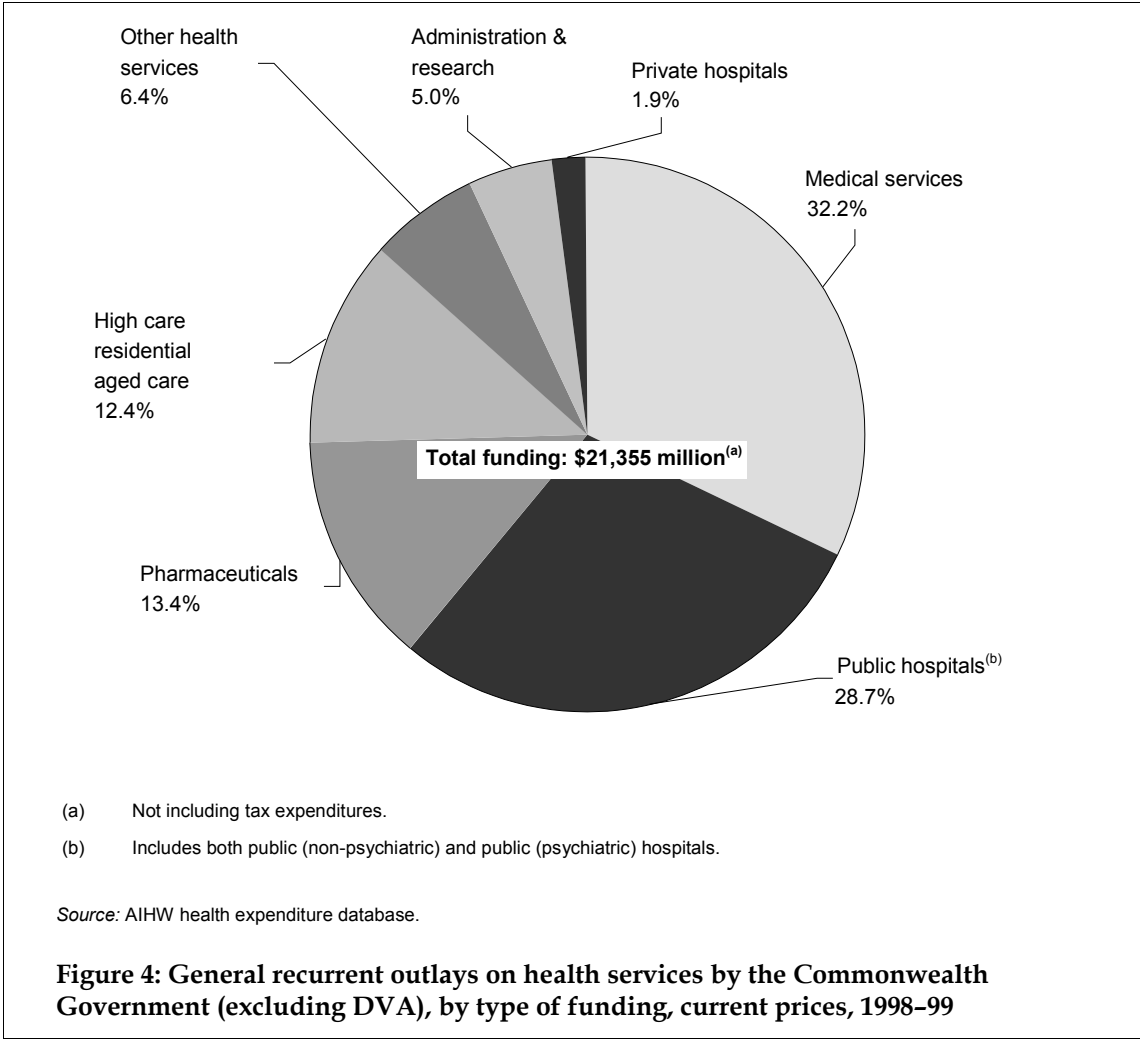
General recurrent outlays on health

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 Aged Care. They include:

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

From 1997-98 these expenditures also include reimbursements, out of appropriations, to health insurance funds under the *Private Health Insurance Incentives Act 1997*.



The largest area of expenditure by the Commonwealth is expenditure on medical services. In 1998-99, this accounted for 32.2% of all general recurrent outlays on health by the Commonwealth.

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. In 1998-99 expenditure in respect of public hospitals accounted for 28.7% of total general recurrent outlays by the Commonwealth.

The other two main areas of expenditure by the Commonwealth under general recurrent outlays on health are pharmaceuticals, which in 1998–99 accounted for 13.4% of general recurrent outlays, and high-care residential aged care subsidies, which accounted for 12.4%.

Taxation expenditures

An additional and growing type of health expenditure by the Commonwealth Government is health-related taxation expenditures.

Rebates and deductions that result in tax expenditures 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 services-related tax expenditures are actually recorded in the year in which the payments that led to the tax expenditures were incurred. Total tax expenditures in 1999–00 were estimated at \$345 million (Table 13).

For all years, the taxation expenditures in the estimates of health expenditure include general health tax rebates. 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 where the net value of those expenditures exceeded a threshold. In 1999–00, that threshold was \$1,250 and the total value of general health rebates was estimated at \$125 million.

Table 14: Commonwealth taxation expenditures, constant prices^(a), 1989–90 to 1999–00

Year	General		Health insurance rebates		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1989–90	76	..	..	..	76	..
1990–91	101	33.5	..	..	101	33.5
1991–92	95	–6.1	..	..	95	–6.1
1992–93	104	10.0	..	..	104	10.0
1993–94	106	2.0	..	..	106	2.0
1994–95	100	–6.0	..	..	100	–6.0
1995–96	113	12.5	..	..	113	12.5
1996–97	131	16.0	..	..	131	16.0
1997–98	133	1.8	164	100.0	297	127.2
1998–99	145	9.0	180	9.9	325	9.5
1999–00 ^(b)	122	–15.6	215	19.6	338	3.9
Average annual growth rates						
1989–90 to 1992–93		11.3		..		11.3
1992–93 to 1997–98		5.0		..		23.3
1997–98 to 1999–00		–4.1		14.7		6.7
1989–90 to 1999–00		4.9		..		16.1

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

From 1997–98 tax expenditures increased substantially due to the effects of the *Private Health Insurance Incentives Act 1997*. Where premium rebates are taken as tax rebates the taxation revenues forgone by the Commonwealth are counted as tax expenditures. In 1999–00 tax expenditures related to the private health insurance rebate totalled \$220 million.

Tax expenditures resulting from the general health tax rebates grew at an average of 4.9% between 1989-90 and 1999-00 (Table 14).

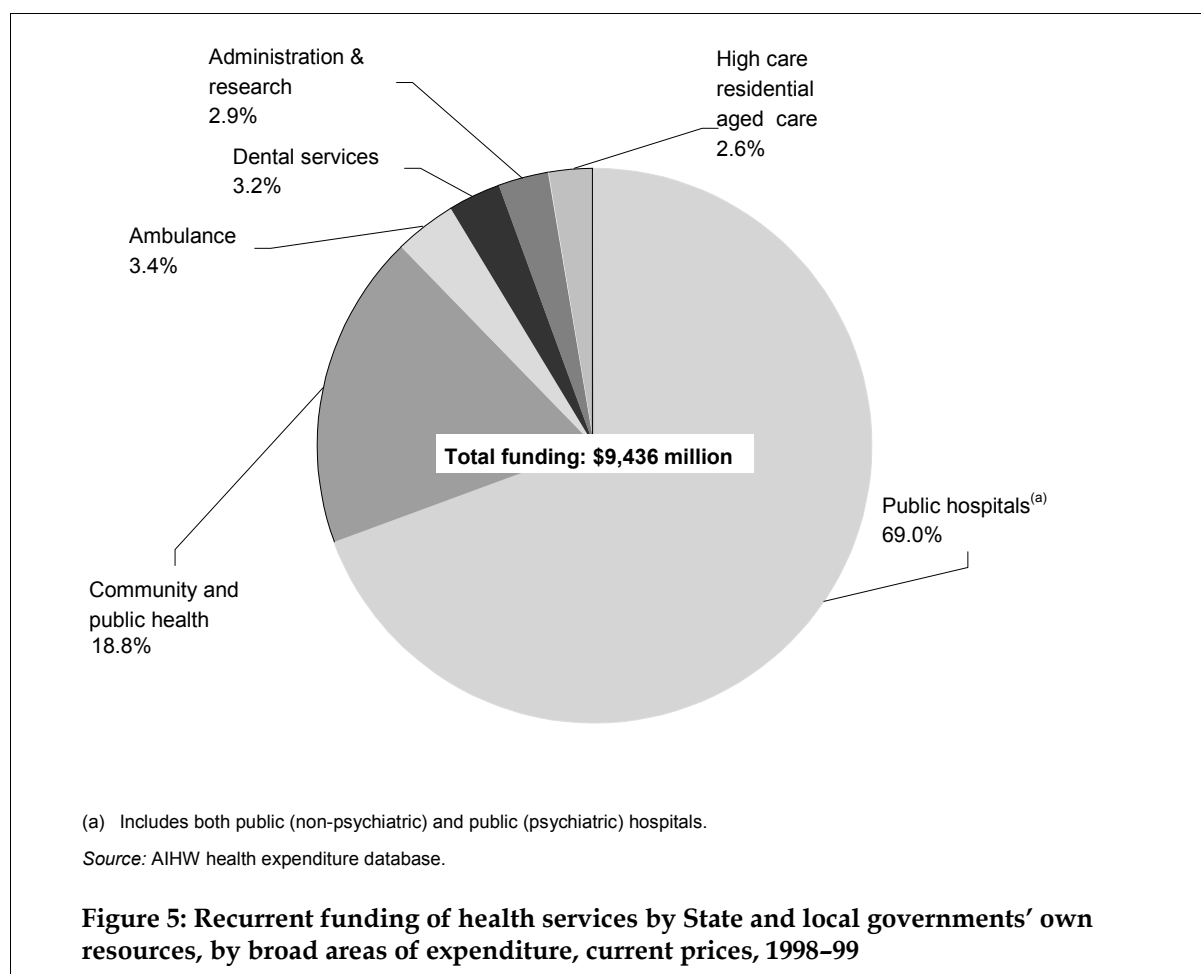
Real growth in general health tax expenditures is affected by the general level of private expenditure on health services as well as a number of other factors. Two of the more important of these are variations in the threshold above which rebates on health expenditures are allowed (\$1,250 in 1999-00) and the rate of the rebate (20% in 1999-00).

Another important factor is the level of coverage by private health insurance. 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 net expenditures above the threshold. However, increases in private health insurance cover following the introduction of the PHIIS and, more importantly, the non-means-tested 30% rebate on premiums, has made it less likely that the threshold would be reached and tax expenditures would result.

Between 1997-98 and 1999-00 there was negative growth in general health tax expenditures. However, this was more than offset by the growth in tax expenditures resulting from the rebate on premiums. They increased at an average of 14.7% per year from 1997-98.

State and Territory Governments and local government authorities

State and Territory Governments are the major providers of publicly provided health 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).



Although the Commonwealth Government's contribution to the funding of States' and Territories' health services is important, most of the funding for their services actually comes from the States' and Territories' own resources. Adding the amounts financed out of 'State and local governments' own resources' and 'Commonwealth (grants)' together provides an indication of the overall size of the net government funding (from Commonwealth, State and Territory and local government sources) for health services that are provided by the States and Territories and local government authorities (see Figure 3). This shows that 'State and local governments' own resources' is the major funding source, providing two-thirds of all government expenditure on those services.

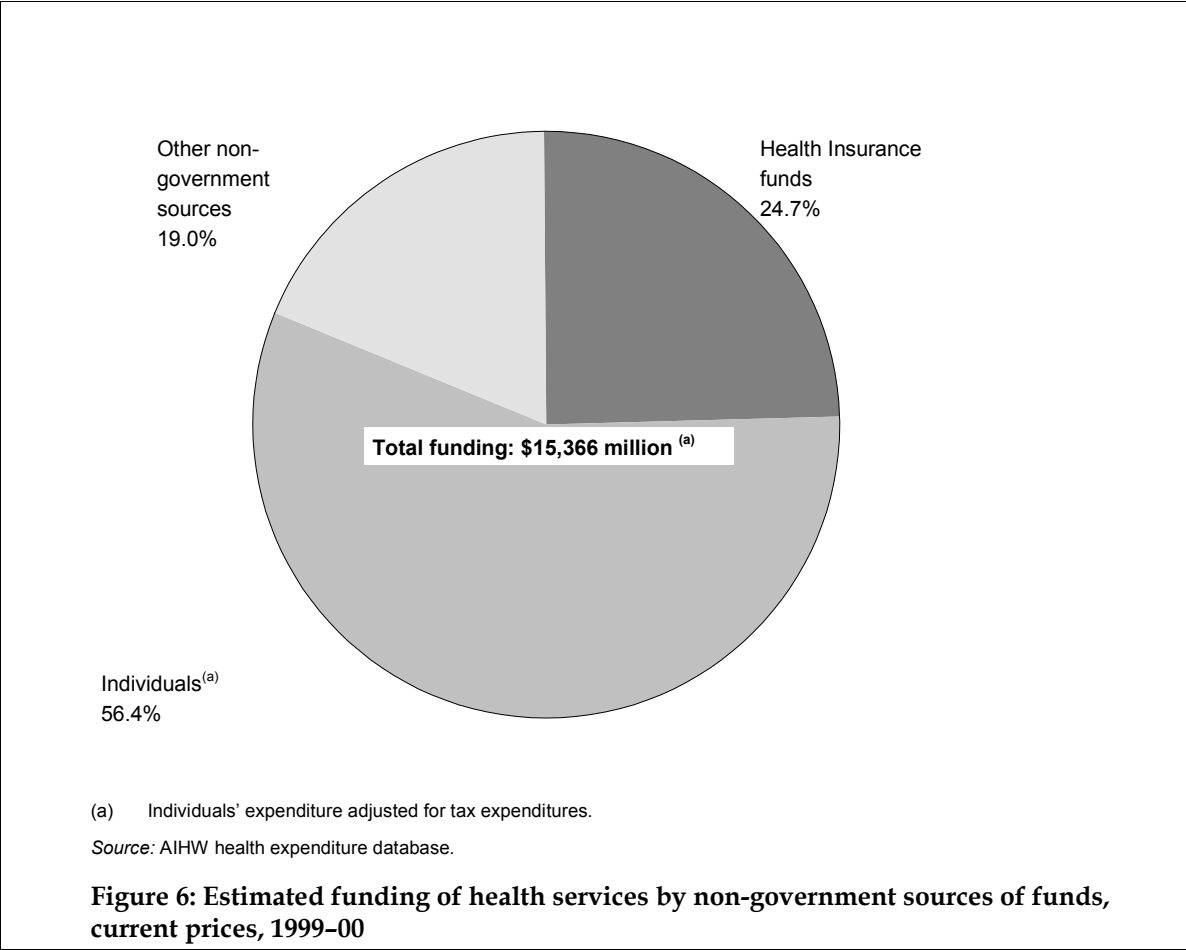
In terms of the types of health services funded by the States and Territories and by local government authorities, spending on public hospitals dominates, accounting for 69.0% of recurrent funding provided by those government sources in 1999-00 (Figure 5).

Expenditure on health by State, Territory and local governments increased, in real terms, by 2.9% between 1998-99 and 1999-00, the annual rate of growth having decreased each year after its peak of 9.8% in 1996-97 (Table 12).

Non-government sources of funds

Most non-government funding for health services in Australia comes from out-of-pocket expenditure by individuals. Expenditure by individuals accounts for 56.4% of estimated non-government funding of health services during 1999-00 (Figure 6). Private health insurance

funds provided 24.7% and the remaining 19.0% came from other non-government sources (mainly compulsory motor vehicle third party and workers' compensation insurers).



Non-government financing for total health expenditure, which averaged around 33% each year between 1991-92 and 1996-97, fell to 28.8% in 1999-00 (Table 11). This was largely due to the influence of the Commonwealth's subsidy to private health insurance funds under the *Private Health Insurance Incentives Act 1997*. The effect of that subsidy is that the benefits paid for private health 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 (see Table 17 for details).

Table 15: Distribution of non-government sector funding of recurrent health services expenditure, by source of funds, 1989–90 to 1999–00 (%)

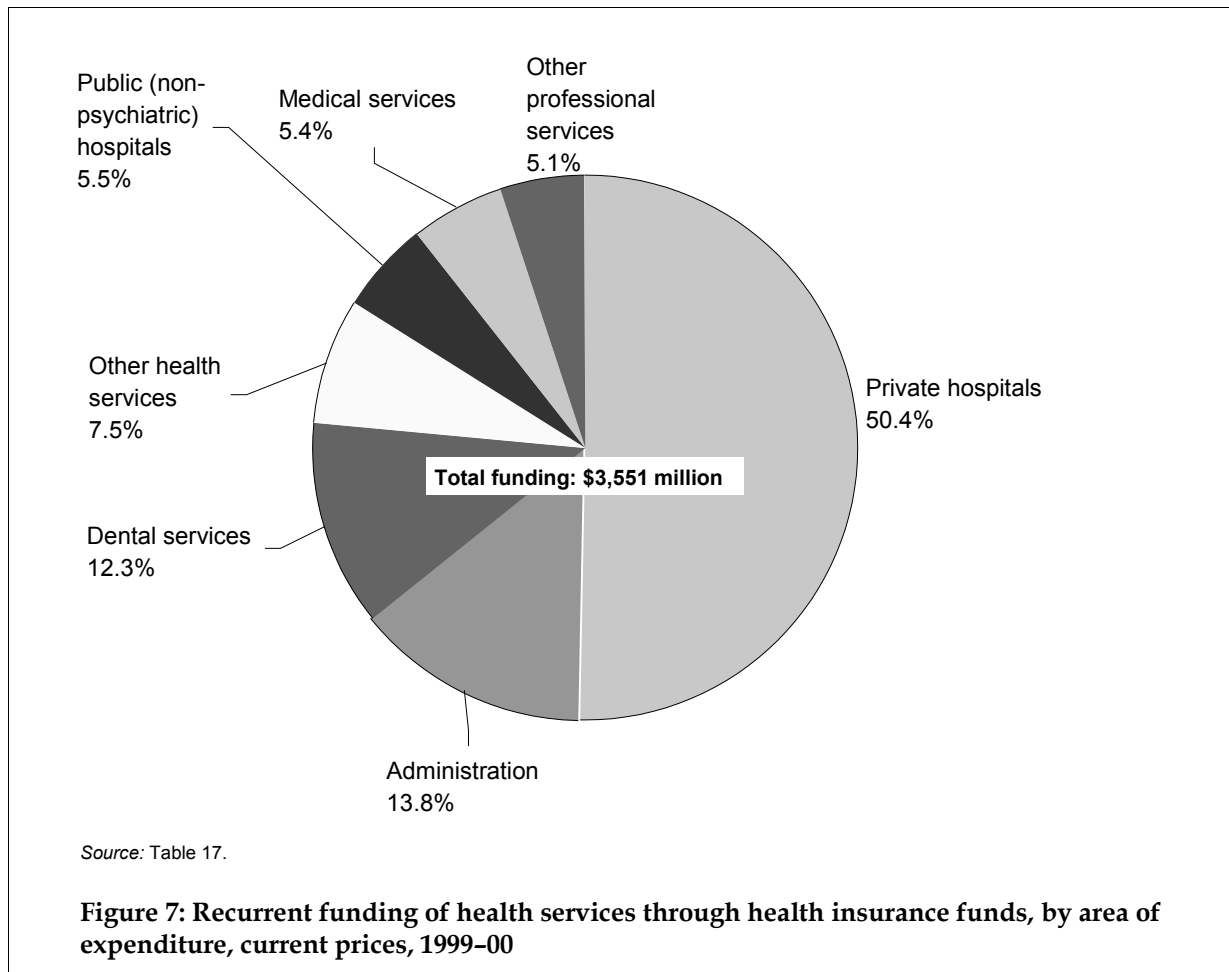
Year	Private health insurance funds	Individuals	Other non-government	All non-government sources
1989–90	34.3	47.9	17.8	100.0
1990–91	34.7	49.9	15.4	100.0
1991–92	35.2	51.1	13.7	100.0
1992–93	34.6	50.3	15.1	100.0
1993–94	33.3	49.6	17.1	100.0
1994–95	32.4	49.8	17.8	100.0
1995–96	32.7	47.7	19.6	100.0
1996–97	31.9	48.7	19.4	100.0
1997–98	30.9	48.5	20.6	100.0
1998–99	27.2	52.4	20.5	100.0
1999–00 ^(a)	24.7	56.4	19.0	100.0

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Private health insurance

Expenditure by registered private health insurance funds is chiefly directed at the funding of private hospitals. During 1999–00, private hospitals accounted for 50.4% of the \$3.6 billion in funding provided by health insurance funds (Figure 7). Other major areas of expenditure that received funding were administration (13.8%) and dental services (12.3%).



General benefits and administration

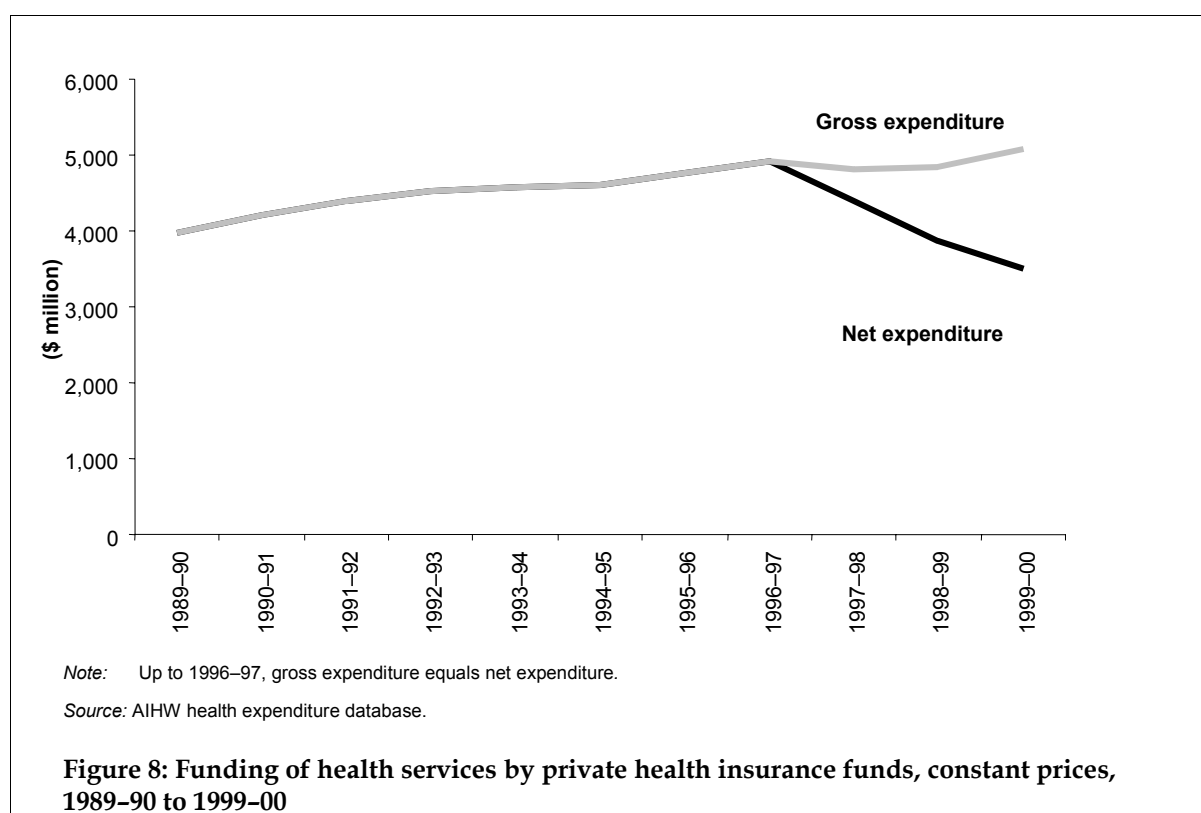
Gross expenditure on health services financed through private health insurance funds grew, in real terms, at an average of 2.5% per year between 1989-90 and 1999-00 (Table 16). The effect of the Commonwealth Government's subsidy through the *Private Health Insurance Incentives Act 1997* has been that, in 1998-99 prices terms, the health services expenditure that was financed out of the funds' earnings (that is, the net expenditure of the funds after deducting the Commonwealth subsidy) during 1999-00 was \$3.5 billion, compared with almost \$4.0 billion unsubsidised expenditure during the first year of the period under review, 1989-90 (Figure 8).

Table 16: Expenditure on health services and administration through private health insurance funds, constant prices^(a), and annual growth rates, 1989–90 to 1999–00

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 (%)
1989–90	3,986	..	..	..	..	..	3,986	..
1990–91	4,199	5.4	..	..	..	..	4,199	5.4
1991–92	4,404	4.9	..	..	..	..	4,404	4.9
1992–93	4,517	2.6	..	..	..	..	4,517	2.6
1993–94	4,571	1.2	..	..	..	..	4,571	1.2
1994–95	4,613	0.9	..	..	..	..	4,613	0.9
1995–96	4,752	3.0	..	..	..	..	4,752	3.0
1996–97	4,929	3.7	..	..	..	..	4,929	3.7
1997–98	4,814	-2.3	259	..	164	..	4,391	-10.9
1998–99	4,843	0.6	782	202.5	180	9.9	3,881	-11.6
1999–00	5,079	4.9	1,379	76.3	215	19.6	3,485	-10.2
Average annual growth rates								
1989–90 to 1992–93		4.3		..		..		4.3
1992–93 to 1997–98		1.3		..		..		0.2
1997–98 to 1999–00		2.7		130.9		14.7		-10.9
1989–90 to 1999–00		2.5		..		..		-1.3

(a) Constant price health services expenditure 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

Source: AIHW health expenditure database.



Health insurance premium rebate

From 1 July 1997, the Commonwealth Government has reimbursed private health insurance funds for premium income forgone by the funds under the *Private Health Insurance Incentives Act 1997*.

The reimbursements paid to the funds are treated as Commonwealth subsidies and are distributed to the different areas of expenditure according to the distribution of benefit payments by the funds. For example, because 50.4% of benefits paid by the health insurance funds relate to private hospital services, that same proportion of the total Commonwealth subsidy is allocated to private hospital services (Table 17).

Table 17: Expenditure on health services funded through health insurance funds, by area of expenditure and contributions income of health insurance funds, current prices, 1997–98 to 1999–00

Area of expenditure	1997–98				1998–99				1999–00			
	Benefits payable	Reimbursement for rebate allowed by fund ^(a)	Taxation rebate	Net from funds' own revenue	Benefits payable	Reimbursement for rebate allowed by fund ^(a)	Taxation rebate	Net from funds' own revenue	Benefits payable	Reimbursement for rebate allowed by fund ^(a)	Taxation rebate	Net from funds' own revenue
Expenditure												
Hospitals	2,754	147	94	2,512	2,813	454	105	2,254	2,900	790	123	1,986
Public (non-psychiatric)	329	17	11	300	289	47	11	231	287	78	12	197
Private	2,425	130	83	2,212	2,524	408	94	2,022	2,612	712	111	1,789
Ambulance ^(b)	112	6	4	102	125	20	5	100	135	37	6	93
Medical services	230	14	8	209	253	41	9	203	281	77	12	193
Other health professionals	226	12	8	206	235	38	9	188	262	71	11	179
Pharmaceuticals	36	2	1	33	36	6	1	29	43	12	2	30
All other items	36	2	1	33	36	6	1	29	43	12	2	30
Aids and appliances	187	10	6	170	186	30	7	149	210	57	9	144
Community/public health	1	—	—	1	1	—	—	1	1	—	—	—
Dental services	600	32	20	547	603	97	22	483	636	173	27	435
Total benefits	4,140	223	142	3,776	4,252	687	158	3,407	4,468	1,218	190	3,060
Health administration	540	29	18	492	591	95	22	473	717	196	30	491
Total expenditure	4,685	252	160	4,274	4,843	782	180	3,881	5,185	1,414	220	3,551
Revenue												
Contributions income receivable				4,301				3,965				3,828
Other revenue				140				149				214
<i>Total revenue</i>				<i>4,441</i>				<i>4,113</i>				<i>4,042</i>
Surplus/(deficit) revenue over benefits and administration^(c)				167				233				491

(a) Amounts paid by the Commonwealth to the health insurance funds to compensate them for revenue forgone due to reduction in premiums. Does not include rebates claimed through the taxation system.

(b) Includes State Government levies.

(c) This is a 'cash flow' calculation based on PHIAC revenue and payments data. It shows the surplus/(deficit) of revenue for the year over the cash payments made by the funds for health services. Because it does not include accruals (such as adjustments to provisions for outstanding claims) or benefits paid for non-health items, it does not, necessarily, reflect aggregate profit or loss by the funds during the year.

Source: Private Health Insurance Administration Council quarterly reports and Annual Report: Operations of the Registered Health Benefits Organisations 1997–98 to 1999–00. Department of the Treasury, Tax Expenditure

Recurrent expenditure on health and health-related services and facilities

Expenditure on health services

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

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

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

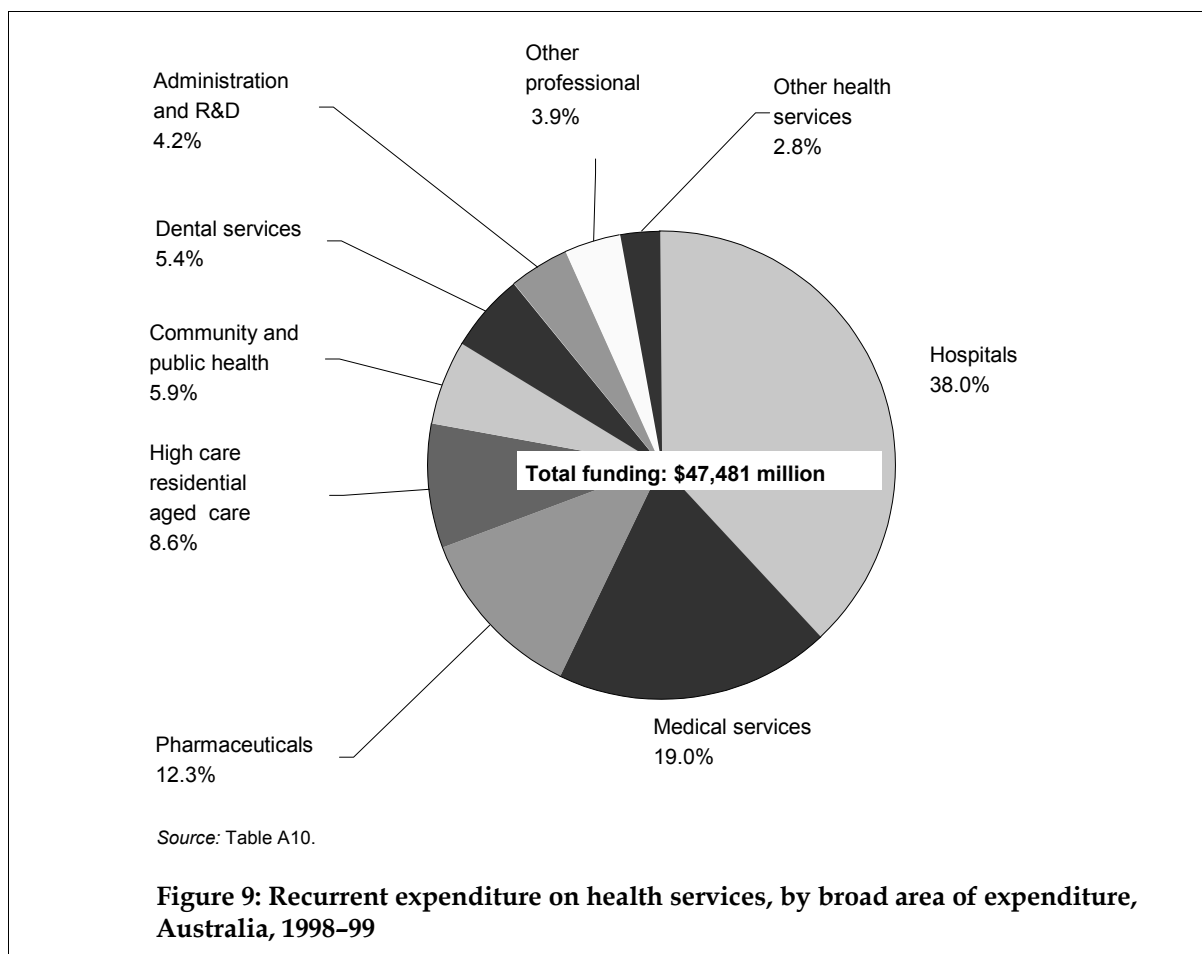
Non-institutional services include:

- 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 services that attract expenditure, hospitals and medical services account for more than half. In 1998-99 hospitals were estimated to have accounted for 38.0% of total recurrent expenditure on health services, and medical services 19.0% (Figure 9).

Within these two categories, however, there is substantial overlap. For example, public hospitals spent \$2,076 million on salaried medical officers and visiting medical officers during 1998-99 (AIHW 2000). 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.



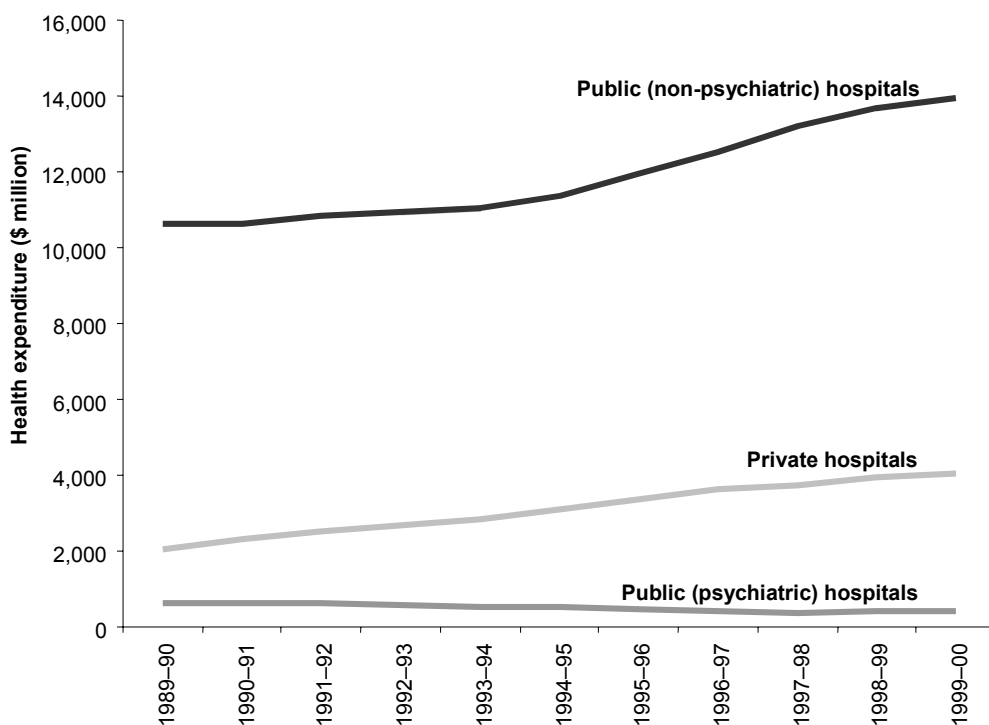
Institutional health services

Hospitals

Expenditure on health services provided by hospitals accounts for more than half of all recurrent expenditure on health 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 patients 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; and
- 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, these 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.



(a) (a) Constant price health services expenditure for 1989-90 to 1999-00 is expressed in chain volume measures, referenced to the year 1998-99.

Source: Table 18.

Figure 10: Recurrent expenditure on hospital services, constant prices^(a), by broad type of hospital, Australia, 1989-90 to 1999-00

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 expenditure 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 1998-99 was \$0.7 billion (AIHW 2000). Expenditure on drugs, medical and surgical supplies in private hospitals was \$0.6 billion (ABS 2000).

Expenditure on both public (non-psychiatric) hospitals and private hospitals grew, in real terms, between 1989-90 and 1999-00 (Table 18 and Figure 10). Annual growth in expenditure on public (non-psychiatric) hospitals averaged 2.8% per year over the period, while expenditure on private hospitals grew at an average of 6.9%. 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 1989-90 and 1999-00 was 4.5%.

Table 18: Recurrent funding of hospitals, constant prices^(a), by broad type of hospital, and annual growth rates, 1989–90 to 1999–00

Year	Public hospitals				Private hospitals		All hospitals	
	Public (non-psychiatric)		Public psychiatric		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1989–90	10,614	..	642	..	2,078	..	13,334	..
1990–91	10,647	0.3	652	1.7	2,323	11.8	13,622	2.2
1991–92	10,845	1.9	640	-2.0	2,518	8.4	14,003	2.8
1992–93	10,948	0.9	574	-10.2	2,663	5.8	14,186	1.3
1993–94	11,042	0.9	546	-5.0	2,844	6.8	14,432	1.7
1994–95	11,385	3.1	522	-4.3	3,117	9.6	15,024	4.1
1995–96	11,924	4.7	484	-7.4	3,394	8.9	15,802	5.2
1996–97	12,539	5.2	429	-11.3	3,656	7.7	16,624	5.2
1997–98	13,217	5.4	390	-9.1	3,761	2.9	17,368	4.5
1998–99	13,675	3.5	397	1.9	3,959	5.3	18,031	3.8
1999–00 ^(b)	13,973	2.2	404	1.7	4,065	2.7	18,442	2.3
Average annual growth rates								
1989–90 to 1992–93		1.0		-3.6		8.6		2.1
1992–93 to 1997–98		3.8		-7.5		7.1		4.1
1997–98 to 1999–00		2.8		1.8		4.0		3.0
1989–90 to 1999–00		2.8		-4.5		6.9		3.3

(b) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Public hospitals

Public (non-psychiatric) hospitals

Expenditure by the Commonwealth Government accounted for 48.5% of total recurrent expenditure on public (non-psychiatric) hospitals in 1998–99, an increase from 41.9% in 1989–90 (Table 19). 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 1999–00 indicate that the Commonwealth's share of funding of public (non-psychiatric) hospitals had fallen to 48.1%.

The share of funding of public (non-psychiatric) hospitals met by State and Territory Governments from their own resources in 1998–99 was 44.9%. It had decreased from 47.4% in 1989–90 and was marginally lower than in 1996–97 (the last year of the last Medicare Agreements between the Commonwealth and the States and Territories).

Table 19: Distribution of expenditure on public (non-psychiatric) hospitals, by broad source of funds, 1989–90 to 1999–00 (%)

Year	Government			Non-government	Total
	Commonwealth	State and local	Total		
1989–90	41.9	47.4	89.3	10.7	100.0
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	45.5	46.8	92.2	7.8	100.0
1998–99	48.5	44.9	93.5	6.5	100.0
1999–00 ^(a)	48.1	45.9	93.9	6.0	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 expenditure 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 45.5% to 48.5%. A small part of the increase in the Commonwealth's share came from the effects of the subsidies to private health insurance under the *Private Health Insurance Incentives Act 1997*. That subsidy 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 accounted for between 9% and 10% of the funding of public hospitals up to 1996–97, fell to 7.8% in 1997–98, to 6.5% in 1998–99 and to 6.0% in 1999–00.

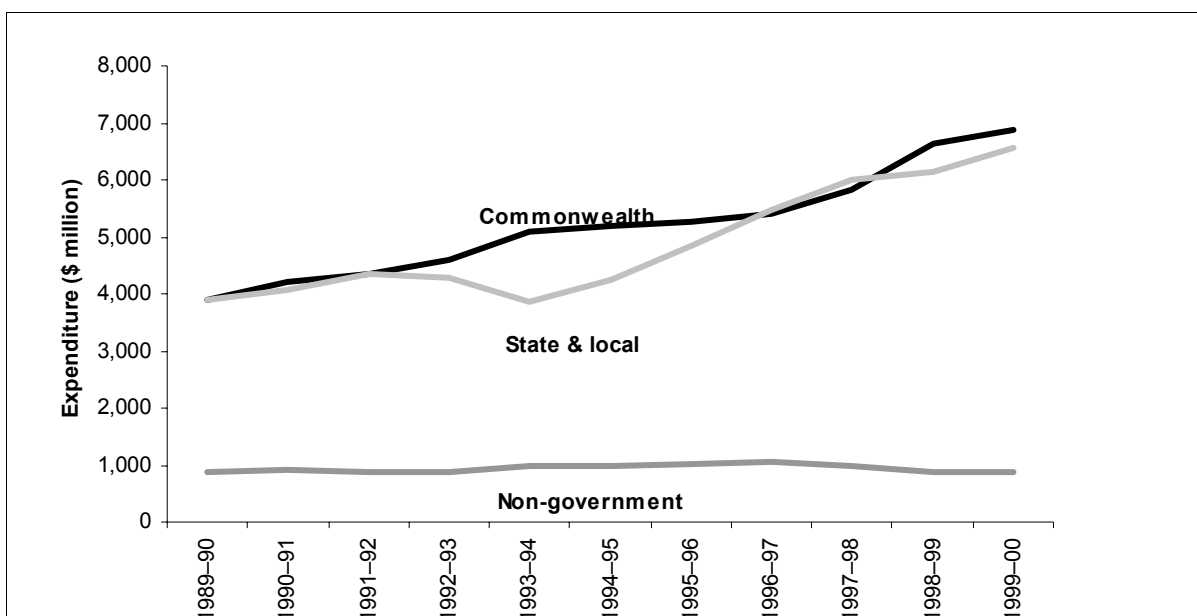
Table 20: Recurrent funding of public (non-psychiatric) hospitals, constant prices^(a), by source of funds, and annual growth rates, 1989-90 to 1999-00

Year	Government				Non-government		Total	
	Commonwealth		State & local		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1989-90	4,759	..	4,760	..	1,095	..	10,614	..
1990-91	4,877	2.5	4,717	-0.9	1,052	-4.0	10,647	0.3
1991-92	4,938	1.2	4,908	4.0	999	-5.0	10,845	1.9
1992-93	5,173	4.7	4,811	-2.0	965	-3.4	10,948	0.9
1993-94	5,645	9.1	4,308	-10.5	1,089	12.9	11,042	0.9
1994-95	5,658	0.2	4,656	8.1	1,071	-1.6	11,385	3.1
1995-96	5,646	-0.2	5,180	11.3	1,098	2.5	11,924	4.7
1996-97	5,674	0.5	5,763	11.2	1,103	0.4	12,539	5.2
1997-98	6,002	5.8	6,191	7.4	1,024	-7.1	13,217	5.4
1998-99	6,638	10.6	6,146	-0.7	891	-13.0	13,675	3.5
1999-00 ^(b)	6,706	1.0	6,341	3.2	925	3.8	13,973	2.2
Average annual growth rates								
1989-90 to 1992-93		2.8		0.4		-4.1		1.0
1992-93 to 1997-98		3.0		5.2		1.2		3.8
1997-98 to 1999-00		5.7		1.3		-5.0		2.8
1989-90 to 1999-00		3.5		2.9		-1.7		2.8

(a) Constant price health services expenditure for 1989-90 to 1999-00 is expressed in chain volume measures, referenced to the year 1998-99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

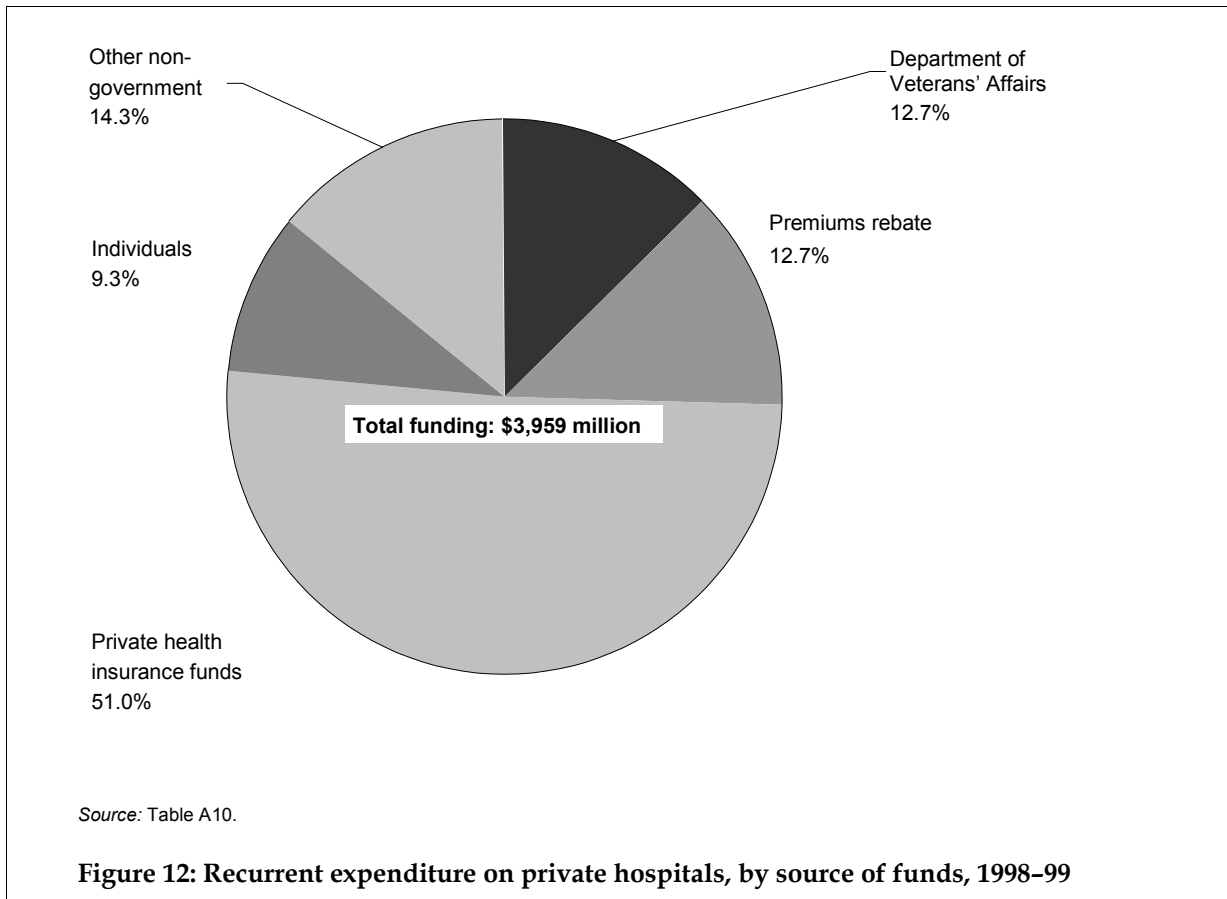


Source: Table 20.

Figure 11: Expenditure on public (non-psychiatric) hospitals, by source of funds, constant prices, 1989-90 to 1999-00

Private hospitals

During 1998–99 almost two-thirds (63.7%) of all expenditure on private hospitals was paid through private health insurance funds (Figure 12). Of this, 51.0% was the net benefits paid by private health insurance funds and 12.7% was indirectly financed by the Commonwealth Government through its subsidies to private health insurance policyholders under the *Private Health Insurance Incentives Act 1997*. The remaining 36.3% was funded by a combination of out-of-pocket expenditure by individuals (9.3%), payments by DVA (12.7%) and other non-government sources (14.3%).



High care residential aged care services (formerly nursing homes)

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 care 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.

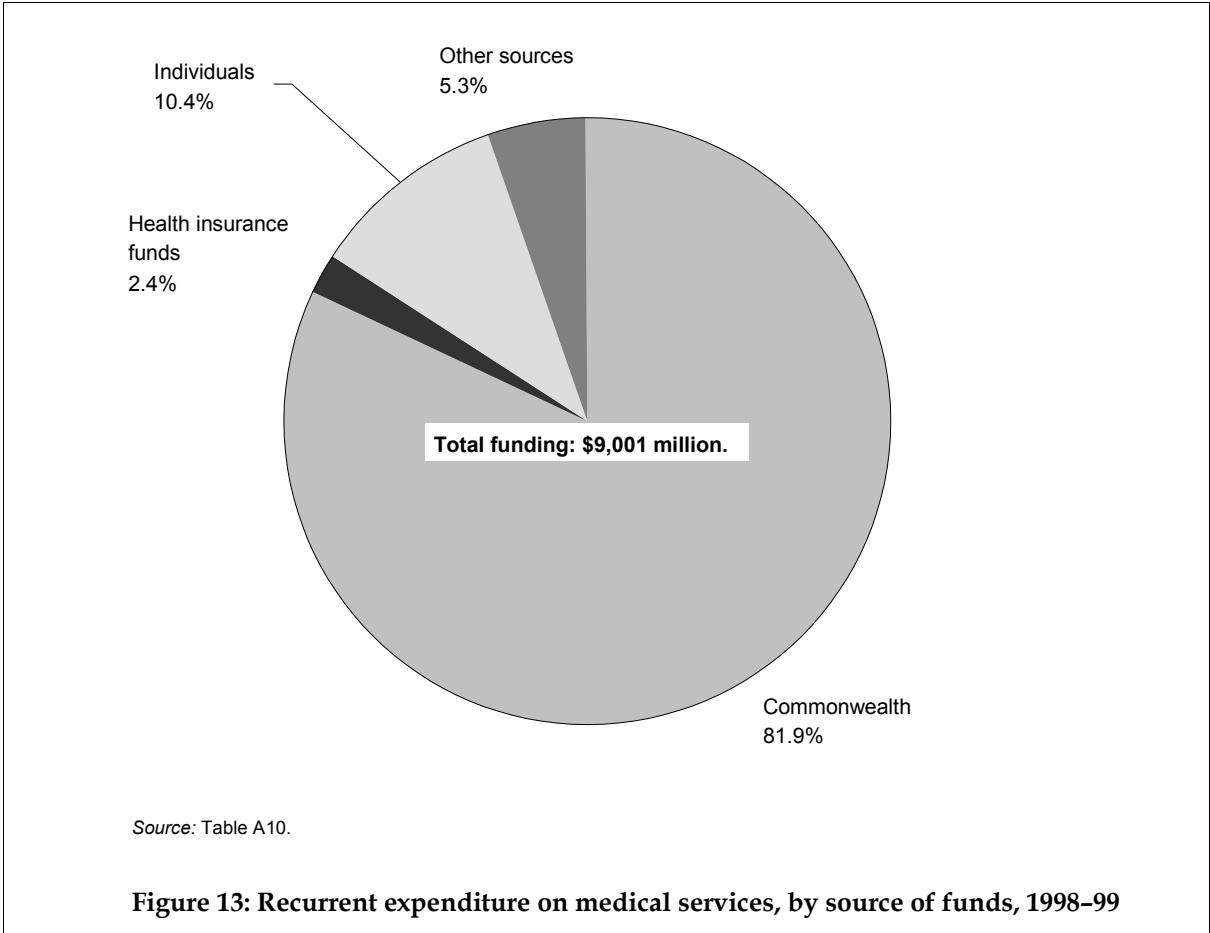
Total recurrent expenditure on high care residential aged care in 1998–99 was \$4,066 million. Of this, the Commonwealth Government paid \$3,011 million and the non-government sector paid \$811 million (Table A10).

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 29).

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 billion spent on medical services in 1998-99, some 81.9% was funded by the Commonwealth Government (Figure 13). 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.



Over the period from 1989-90 to 1998-99, expenditure on medical services increased, in real terms, at an average of 4.6% per annum (Table 21). However, that annual rate of growth slowed each year from 1991-92. Between 1990-91 and 1991-92 expenditure grew by 10.2% whereas between 1997-98 and 1998-99 the rate of growth was 2.2%.

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 continued to slow down. That was 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.

Again, in each of the years between 1997–98 and 1998–99, growth in the Commonwealth Government’s expenditure on medical services accelerated, while overall growth continued to slow. However, in those 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 21: Recurrent funding of medical services, constant prices^(a), by source of funds, and annual growth rates, 1989–90 to 1998–99

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 (%)
1989–90	4,793	..	711	..	184	..	333	..	6,020	..
1990–91	4,862	1.4	704	–0.9	192	4.5	329	–1.3	6,087	1.1
1991–92	5,450	12.1	756	7.3	216	12.7	287	–12.8	6,709	10.2
1992–93	5,816	6.7	767	1.5	224	3.8	318	10.8	7,125	6.2
1993–94	6,252	7.5	749	–2.4	228	1.6	324	2.0	7,553	6.0
1994–95	6,584	5.3	770	2.8	233	2.4	399	23.0	7,986	5.7
1995–96	6,918	5.1	805	4.6	237	1.9	420	5.3	8,381	4.9
1996–97 ^(b)	7,052	1.9	860	6.8	240	1.2	461	9.7	8,612	2.8
1997–98 ^(b)	7,198	2.1	926	7.7	224	–7.0	460	–0.2	8,808	2.3
1998–99 ^(b)	7,372	2.4	936	1.0	212	–5.0	480	4.4	9,001	2.2
Average annual growth rates										
1989–90 to 1992–93		6.7	2.6		6.9		–1.6		5.8	
1992–93 to 1997–98		4.4	3.8		–0.1		7.6		4.3	
1989–90 to 1998–99		4.9	3.1		1.6		4.1		4.6	

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

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

Source: AIHW health expenditure database.

Dental services

Expenditure on dental services is a major component of total expenditure on health services by individuals. In 1998–99 expenditure on dental services was \$2,566 million, of which expenditure by individuals totalled \$1,640 million (see Table A10). Expenditure by individuals on dental services accounted for 19.4% of recurrent outlays by individuals on health services.

¹ Department of Health and Aged Care, *Medicare statistics*, Table B8.

Growth in expenditure averaged 2.4% between 1989–90 and 1998–99. However, in more recent years, expenditure on dental services fell in real terms – by 2.3% in 1997–98 and 4.1% in 1998–99 (Table 22).

Table 22: Recurrent funding of dental services, constant prices^(a), by source of funds, and annual growth rates, 1989–90 to 1998–99

Year	Commonwealth		State and local governments		Health insurance funds		Individuals and other		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1989–90	43	..	109	..	704	..	1,224	..	2,081	..
1990–91	46	5.5	163	49.8	707	0.3	1,261	3.0	2,177	4.6
1991–92	48	5.6	168	2.9	703	-0.6	1,266	0.3	2,184	0.3
1992–93	48	-0.9	186	11.0	686	-2.3	1,555	22.9	2,476	13.3
1993–94	70	46.8	167	-10.3	662	-3.6	1,615	3.8	2,514	1.5
1994–95	122	73.6	147	-12.0	642	-3.0	1,640	1.6	2,551	1.5
1995–96	164	34.3	227	54.9	636	-0.9	1,641	0.1	2,668	4.6
1996–97 ^(b)	104	-36.8	318	40.0	640	0.6	1,676	2.2	2,738	2.6
1997–98 ^(b)	78	-24.5	340	6.8	587	-8.2	1,670	-0.4	2,676	-2.3
1998–99 ^(b)	104	32.4	305	-10.3	506	-13.9	1,651	-1.1	2,566	-4.1
Average annual growth rates										
1989–90 to 1992–93		3.4		19.6		-0.9		8.3		6.0
1992–93 to 1997–98		10.3		12.8		-3.1		1.4		1.6
1989–90 to 1998–99		10.2		12.1		-3.6		3.4		2.4

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

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

Source: AIHW health expenditure database.

Other professional services

Other professional services grew at an average of 4.8% per year between 1989–90 and 1998–99 (Table A11). Much of this growth occurred in two years – 1996–97 and 1998–99. Expenditure on other professional services is largely funded by individual users of services. In those two periods, expenditure by individuals grew, in real terms, by 29.1% and 10.3%, respectively. As a consequence, overall growth in expenditure on other professional services grew by 17.7% in 1996–97 and by 9.0% in 1998–99.

Community and public health services

Expenditure on ‘community health’ and ‘public health’ have been combined because of the considerable definitional difficulties in identifying 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).

These definitional problems are being addressed by the AIHW in association with the Commonwealth and the State and Territory health authorities.

Most expenditure on community and public health services is funded by State and Territory Governments and by local government authorities. In 1998–99 expenditure by State and

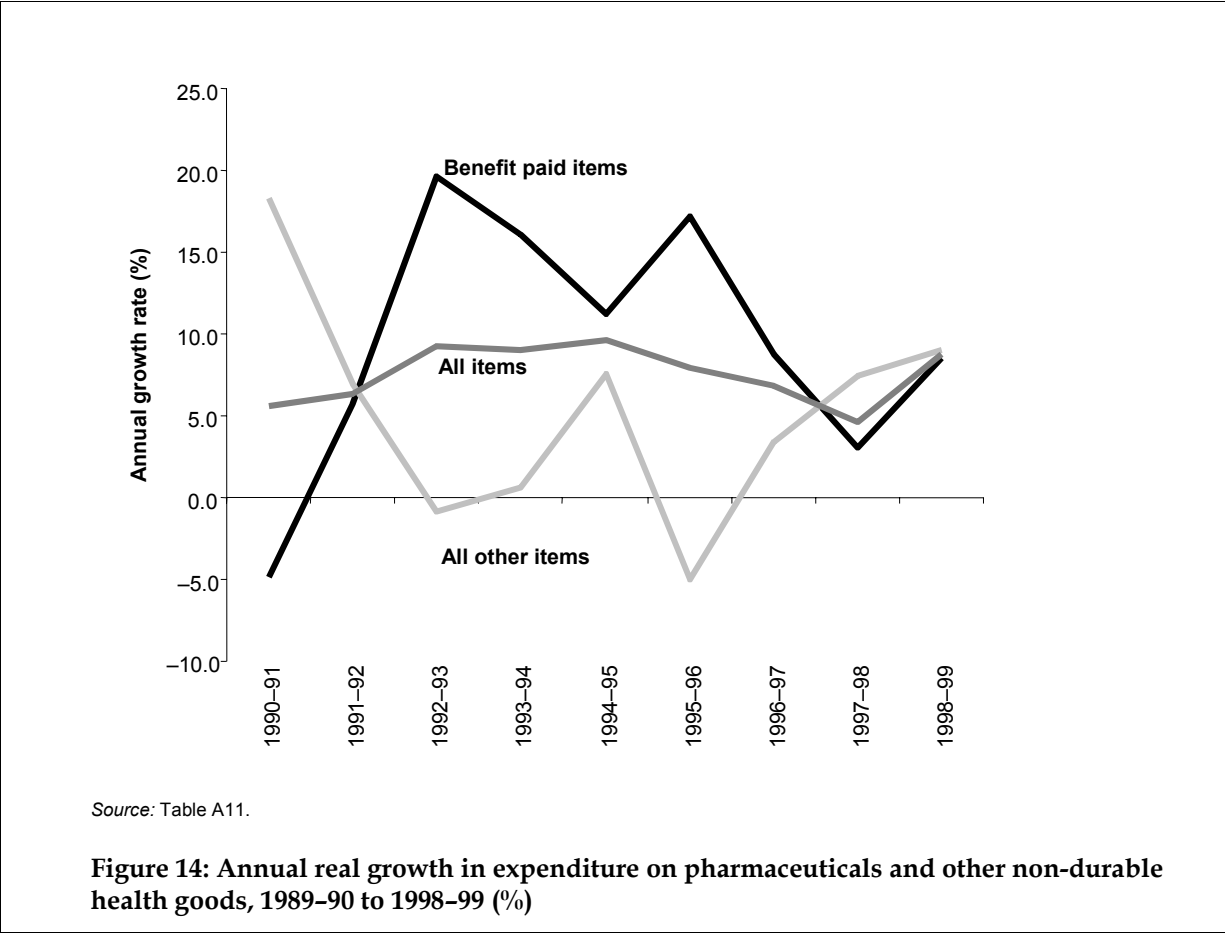
Territory Governments and by local government authorities totalled \$1.8 billion out of a total of \$2.8 billion spent on community and public health services (Table A10).

While reliable estimates are not available for earlier years, public health expenditure data for 1998–99 have been collected from each of the jurisdictions using a collection protocol developed through the public health expenditure project (AIHW 2001).

Expenditure on 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.



While total expenditure on pharmaceuticals experienced consistent growth between 1989–90 and 1998–99, expenditure on benefit paid items and non-benefit items fluctuated greatly from year to year (Figure 14). 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 paid. Items that are listed on the PBS but which have a price that is below the patient co-payment for the category of patient to whom they are dispensed are recorded in the all other pharmaceuticals category.

Benefit paid items

Expenditure on benefit paid pharmaceuticals grew at an average of 8.8% per year from 1989–90 to 1999–00 (Table 23). The period of most rapid growth in expenditure on benefit paid pharmaceuticals was from 1992–93 to 1997–98, when it averaged 11.1% per year. Growth in that period was shared between the Commonwealth (11.3%) and individuals (10.2%). However, as far as individuals were concerned, the most rapid growth occurred before 1992–93 (20.0% per annum).

After 1997–98 real growth in expenditure on benefit paid pharmaceuticals averaged 7.0%. This was still greater than the overall rate of growth in health expenditure. However, it is well below the rates of growth in expenditure on benefit paid pharmaceuticals that had been experienced prior to 1997–98.

Table 23: Recurrent expenditure on benefit paid pharmaceuticals, constant prices^(a), by source of funds, and annual growth rates, 1989–90 to 1999–00

Year	Commonwealth		Individuals		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1989–90	1,452	..	212	..	1,665	..
1990–91	1,343	-7.6	241	13.7	1,584	-4.9
1991–92	1,357	1.1	317	31.4	1,674	5.7
1992–93	1,635	20.5	367	15.8	2,002	19.6
1993–94	1,922	17.6	403	9.7	2,325	16.1
1994–95	2,117	10.1	468	16.2	2,585	11.2
1995–96	2,530	19.5	498	6.4	3,028	17.1
1996–97	2,740	8.3	554	11.2	3,294	8.8
1997–98	2,799	2.2	597	7.8	3,396	3.1
1998–99	3,086	10.3	601	0.8	3,688	8.6
1999–00 ^(b)	3,236	4.8	650	8.0	3,885	5.4
Average annual growth rates						
1989–90 to 1992–93		4.0	20.0		6.3	
1992–93 to 1997–98		11.3	10.2		11.1	
1997–98 to 1999–00		7.5	4.3		7.0	
1989–90 to 1999–00		8.3	11.8		8.8	

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

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

Growth in expenditure on all other pharmaceutical items, to some extent, mirrors that for benefit paid items (see Figure 14). This is largely due to the effect of the PBS patient co-payment threshold and the increased availability of cheaper alternatives to items on the PBS that would have attracted pharmaceutical benefits.

Expenditure on other pharmaceutical items grew, in real terms, by an average of 5.5% between 1989–90 and 1999–00 (Table 24).

Table 24: Recurrent expenditure on other pharmaceuticals, constant prices^(a), by source of funds, and annual growth rates, 1989–90 to 1999–00

Year	Individuals		Health insurance funds ^(b)		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1989–90	1,292	..	46	..	1,338	..
1990–91	1,547	19.7	48	4.4	1,595	19.2
1991–92	1,666	7.7	43	-11.1	1,709	7.2
1992–93	1,645	-1.3	45	5.7	1,690	-1.1
1993–94	1,651	0.4	48	5.2	1,699	0.5
1994–95	1,775	7.5	46	-4.3	1,821	7.2
1995–96	1,663	-6.4	47	2.6	1,709	-6.1
1996–97	1,724	3.7	45	-3.5	1,770	3.5
1997–98	1,865	8.2	36	-20.1	1,901	7.4
1998–99	2,096	12.4	36	-1.2	2,132	12.1
1999–00 ^(c)	2,253	7.5	42	16.6	2,295	7.7
Average annual growth rates						
1989–90 to 1992–93		8.4		-0.6		8.1
1992–93 to 1997–98		2.5		-4.5		2.4
1997–98 to 1999–00		9.9		7.3		9.9
1989–90 to 1999–00		5.7		-1.1		5.5

(a) Constant price health services expenditure for 1989–90 to 1999–00 is expressed in chain volume measures, referenced to the year 1998–99.

(b) From 1997–98 to 1999–00 this includes the estimated subsidy by the Commonwealth through the distribution of health insurance premium rebates under the *Private Health Insurance Incentives Act 1997*.

(c) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

Expenditure on health-related services and facilities

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 1998–99 was \$725 million (Table A10). Most of this (70.3%) was funded by the Commonwealth Government (Figure 15).

State and local governments provided 12.9% of funding for research and a further 16.8% was provided by non-government sources.

Expenditure on health research grew at an average of 4.2% per year between 1989–90 and 1999–00 (Table 25).

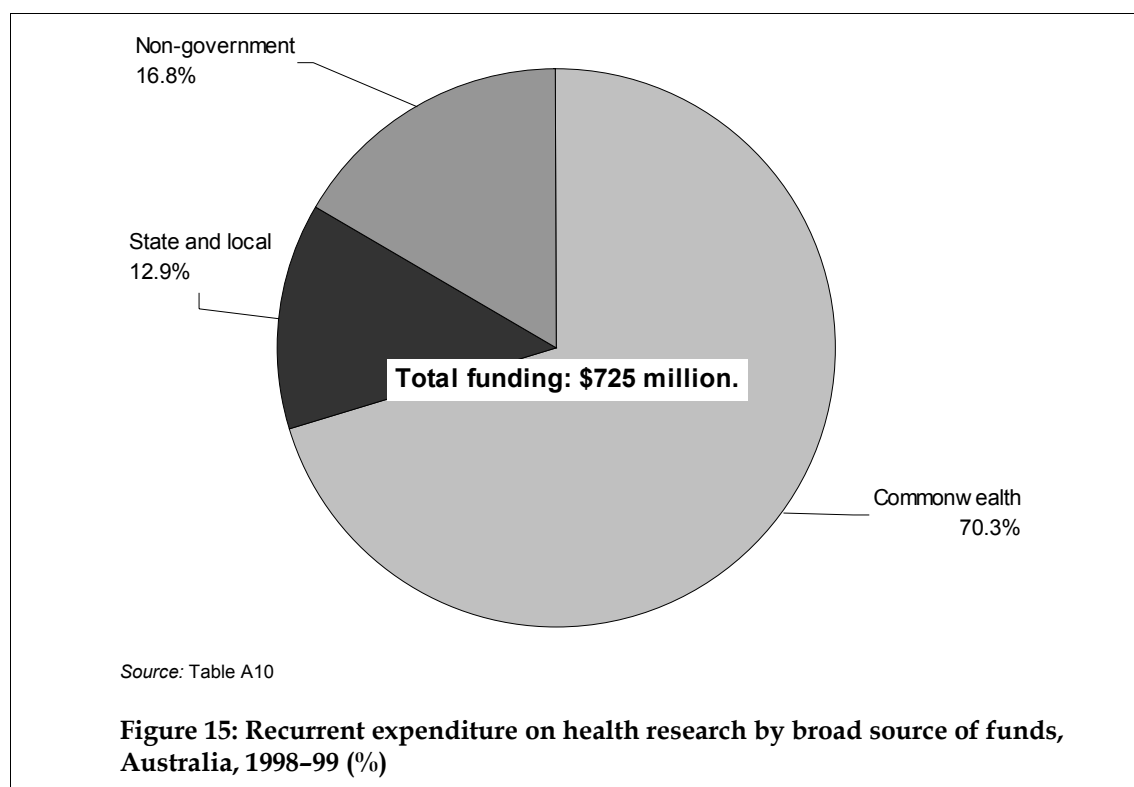


Table 25: Recurrent funding for health research, constant prices^(a), and annual growth rates, by broad source of funds, 1989-90 to 1999-00

Year	Government				Non-government ^(b)		Total	
	Commonwealth ^(b)		State and local		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1989-90	359	..	81	..	55	..	496	..
1990-91	330	-8.2	116	42.5	62	12.1	508	2.4
1991-92	348	5.6	113	-2.9	61	-1.3	522	2.8
1992-93	397	14.1	42	-62.8	83	34.8	522	-0.1
1993-94	421	6.1	65	54.0	95	15.0	581	11.3
1994-95	431	2.2	101	56.3	108	13.0	639	10.0
1995-96	470	9.0	87	-13.4	115	7.0	672	5.1
1996-97	480	2.3	106	21.7	124	7.4	710	5.7
1997-98	438	-8.9	98	-7.8	132	7.1	668	-6.0
1998-99	510	16.5	93	-4.8	122	-8.1	725	8.5
1999-00 ^(c)	532	4.4	95	1.4	118	-2.6	745	2.8
Average annual growth rates								
1989-90 to 1992-93		3.4		-19.9		14.3		1.7
1992-93 to 1997-98		2.0		18.5		9.9		5.1
1997-98 to 1999-00		10.3		-1.8		-5.4		5.6
1989-90 to 1999-00		4.0		1.5		7.9		4.2

(a) Constant price health services expenditure for 1989-90 to 1999-00 is expressed in chain volume measures, referenced to the year 1998-99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Health-related investment

Capital formation

Because investments on 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 26 and Figure 16). It is, therefore, meaningless to look at average growth rates over a relatively short period like ten years.

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.

Table 26: Outlays on capital, constant prices^(a), by source of funds, 1989-90 to 1999-00 (\$ million)

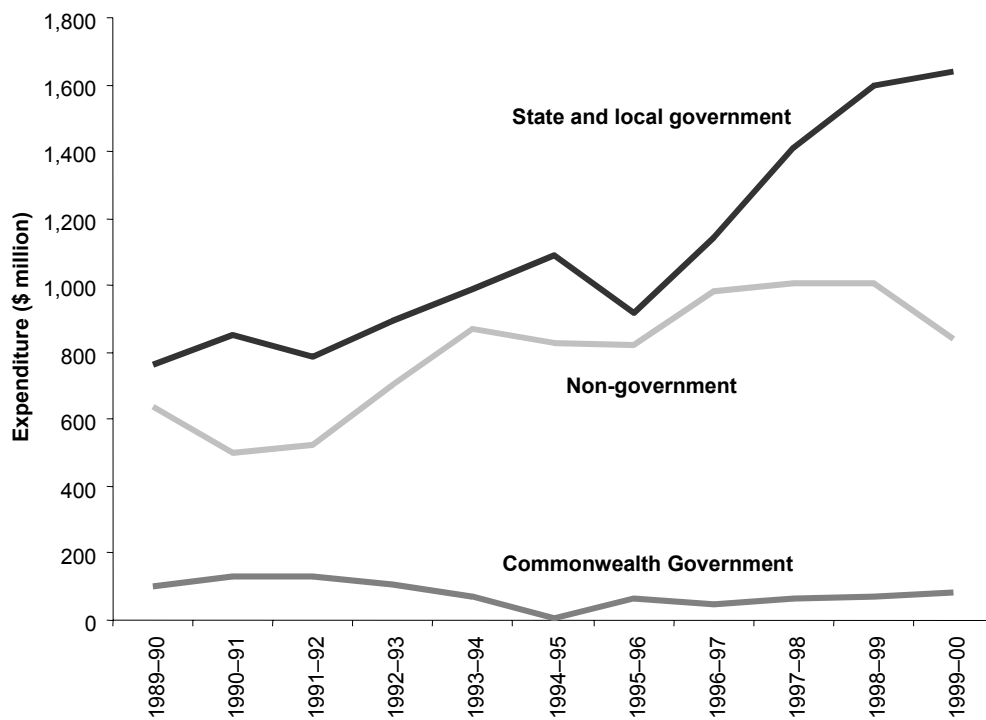
Year	Commonwealth	State and local	Non-government	Total
1989-90	100	763	637	1,500
1990-91	131	852	504	1,487
1991-92	132	789	526	1,447
1992-93	105	891	703	1,699
1993-94	72	988	872	1,933
1994-95	8	1,088	830	1,926
1995-96	65	917	824	1,806
1996-97	50	1,145	984	2,179
1997-98	63	1,410	1,005	2,478
1998-99	71	1,597	1,009	2,677
1999-00 ^(b)	82	1,638	840	2,560

(a) Constant price health services expenditure for 1989-90 to 1999-00 is expressed in chain volume measures, referenced to the year 1998-99.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

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.



Source: Table 26.

(a) Constant price health services expenditure for 1989-90 to 1999-00 is expressed in chain volume measures, referenced to the year 1998-99.

Figure 16: Outlays of capital, constant prices ^(a), by broad source of funds, Australia, 1989-90 to 1999-00

International comparison

This section compares Australia's health services 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 ten-year period from 1990 to 1999, provides an indication of the relative efforts being undertaken to meet the need for health services 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 services' 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 services and the health status of its population.

Health services 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 services. However, fluctuations in the health expenditure-to-GDP ratio can be misleading because they may indicate movements in GDP as much as health services expenditure.

When making international comparisons of health services 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.

Table 27: Total health services expenditure as a proportion of GDP, Australia and selected OECD member countries, 1990 to 1999^(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	7.9	9.2	8.8	..	6.1	8.8	7.0	8.8	6.0	12.4	9.8 ^(f)	7.2 ^(f)	7.9 ^(f)
1991	8.2	9.9	9.0	9.1	6.1	9.0	7.5	8.7	6.4	13.2	10.2	7.7	8.5
1992	8.2	10.2	9.2	9.7	6.3	9.2	7.6	8.8	6.9	13.6	10.6	8.0	8.9
1993	8.2	10.1	9.7	9.7	6.6	9.4	7.2	8.9	6.9	13.9	10.8	8.2	9.0
1994	8.2	9.8	9.6	9.8	6.9	9.2	7.3	8.6	7.0	13.9	10.9	8.3	9.0
1995	8.2	9.5	9.7	10.2	7.2	8.9	7.3	8.4	7.0	13.9	10.9	8.5	9.1
1996	8.4	9.4	9.7	10.6	7.1	8.8	7.3	8.7	7.0	13.8	10.9	8.5	9.2
1997	8.4	9.3	9.5	10.5	7.4	8.6	7.6	8.5	6.7	13.6	10.9	8.5	9.0
1998	8.6	9.5	9.5	10.6	7.6	8.6	8.1	8.4	6.7	13.6	11.0	8.6	9.1
1999	8.5	9.5	9.5	10.5	n.a.	n.a.	n.a.	n.a.	7.0	13.7	n.a.	n.a.	n.a.
Ten year mean^(g)	8.3	9.6	9.4	10.1	6.8	9.0	7.4	8.6	6.8	13.6	10.7	8.2	8.9

(a) See definition of 'OECD financial year' in Technical notes.

(b) Data for 1991 onwards refer to the unified Germany.

(c) Mean weighted by GDP.

(d) Weighted mean excluding the USA.

(e) Weighted mean excluding the USA and Japan.

(f) Excludes Germany in 1990.

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

Sources: Australia: AIHW health expenditure database; other countries: OECD Health Data 2000.

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 services.

As a proportion of GDP, its expenditure increased from 12.4% in 1990 to 13.7% in 1999. It had peaked and stabilised at 13.9% of GDP between 1993 and 1995, before falling slightly (Table 27). The average proportion of GDP spent on health by the United States over the whole ten year period was 13.6%. Germany, with 10.1%, had the second highest average proportion, followed by Canada with 9.6%. Australia's average over the period (8.3%) was the seventh highest of the group. This was slightly higher than the nine country mean (excluding the United States). The United Kingdom and Japan devoted the smallest proportion of their GDP to health services, both averaging 6.8% over the period.

Table 28: Total health services expenditure per person, Australia and other selected OECD member countries, current prices, 1990 to 1999^(a) (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	2,366	2,148	. .	1,505	1,950	1,302	2,152	1,340	3,829	2,663 ^(f)	1,724 ^(f)	1,869 ^(f)
1991	1,902	2,521	2,282	2,192	1,596	2,041	1,362	2,000	1,388	4,096	2,755	1,891	2,028
1992	1,990	2,643	2,450	2,506	1,747	2,202	1,462	2,056	1,596	4,418	2,999	2,080	2,233
1993	2,071	2,687	2,498	2,483	1,844	2,261	1,473	2,036	1,605	4,631	3,112	2,123	2,252
1994	2,170	2,716	2,527	2,644	1,955	2,316	1,558	2,019	1,670	4,797	3,237	2,215	2,334
1995	2,296	2,779	2,588	2,810	2,104	2,437	1,605	2,092	1,678	4,794	3,303	2,323	2,423
1996	2,434	2,783	2,609	2,974	2,209	2,518	1,647	2,231	1,833	5,012	3,456	2,428	2,529
1997	2,557	2,884	2,623	3,069	2,388	2,645	1,778	2,260	1,856	5,277	3,627	2,529	2,594
1998	2,706	3,052	2,713	3,200	2,405	2,732	1,880	2,305	1,929	5,515	3,774	2,610	2,703
1999	2,817	3,158	2,790	3,244	n.a.	n.a.	n.a.	n.a.	2,074	5,751	n.a.	n.a.	n.a.

(a) See definition of 'OECD financial year' in Technical notes.

(b) Data for 1991 onwards refer to the unified Germany.

(c) Mean weighted by population.

(d) Weighted mean excluding the USA.

(e) Weighted mean excluding the USA and Japan.

(f) Excludes Germany in 1990.

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

Sources: Australia: AIHW health expenditure database; other countries: OECD Health Data 2000.

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.

Since 1993, Australia had the sixth highest per person expenditure on health services, above that of Japan, Sweden, United Kingdom and New Zealand (Table 28). Australia's per person health spending in 1998 (that is, 1998–99) of A\$2,706 was below the ten country mean (A\$3,774) but was higher than the nine country mean of A\$2,610 (which excludes the United States) as well as the eight country mean, A\$2,703 (which excludes the United States and Japan). In per person terms, the United States was by far the largest health spender. Its expenditure was A\$5,751 per person in 1999, followed by Germany (A\$3,244) and Canada with A\$3,158. Health spending per person by the United States was more than double that of Australia throughout the period 1990 to 1999. The average for the group as a whole increased from A\$2,663 in 1990 to A\$3,774 in 1998, an average rate of increase of 4.5% per year.

Table 29: Components of growth in health services expenditure, Australia and other selected OECD member countries, 1990 to 1999^(a) (%)

	Aust	Can ^(b)	Fra ^(b)	Ger ^(c)	Jpn ^(b)	Neth ^(d)	NZ ^(e)	Swe ^(f)	UK ^(d)	USA ^(f)
Nominal growth in health services expenditure	6.2	4.8	4.1	7.9	7.9	6.2	7.6	1.9	6.9	6.4
Health services inflation	1.9	2.0	1.8	3.2	1.5	2.4	3.8	n.a.	4.9	3.8
General inflation	1.4	1.6	1.4	2.5	0.3	1.6	2.0	2.4	3.0	2.2
Excess health inflation ^(g)	0.5	0.3	0.4	0.7	1.2	0.7	1.8	n.a.	1.8	1.6
Real growth in health services expenditure	4.2	2.8	2.3	4.6	6.3	3.7	3.7	n.a.	1.9	2.5
Population growth	1.2	1.1	0.5	0.5	0.3	0.6	1.7	0.4	0.4	1.0
Per person real growth	3.1	1.6	1.8	4.1	6.0	3.0	2.0	n.a.	1.6	1.5

(a) See definition of 'OECD financial year' in Technical notes.

(b) Canada, France and Japan from 1990 to 1997.

(c) Germany from 1991 to 1996.

(d) The Netherlands and the UK from 1990 to 1996.

(e) New Zealand from 1990 to 1995.

(f) Sweden and the USA from 1990 to 1998.

(g) See Technical notes.

Sources: Australia: AIHW health expenditure database; other countries: OECD Health Data 2000.

Factors contributing to the growth in health services expenditure are inflation (both general inflation and excess health inflation) and changes in the level of services used, either from population growth or from more intensive per person use of 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 services sector. The ability of a nation's health financing system to control health prices is an important factor in controlling growth in total expenditure on health services.

Rates of excess health inflation ranged from 0.3% for Canada up to 1.8% for both New Zealand and the United Kingdom. Australia had an excess health inflation rate of 0.5%, the third lowest of the group (Table 29).

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 per person health services expenditure. Australia had the third highest average real growth in per person expenditure (3.1%), behind that of Japan (6.0%) and Germany (4.1%) but substantially higher than that of Canada, New Zealand and the United Kingdom. Japan's high average real growth in per person expenditure was the result of relatively high real growth in total health expenditure (6.3% per year) coupled with very low population growth (0.3% per year).

Health prices

Deflation of current price estimates to chain volume measures is undertaken using various price deflators. For example, expenditure on hospitals is deflated using the Australian Bureau of Statistics' IPD for government final consumption expenditure on hospital and nursing home services (Table 30).

The consumer price index (CPI) and its health services sub-group have not generally been used to measure movements in overall prices of health 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 30: Total health price index and industry-wide indexes (reference year 1998-99= 100), 1989-90 to 1999-00

Year ended 30 June	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total health price index	81.5	86.5	88.5	89.6	90.6	92.1	94.3	95.9	97.5	100.0	102.3
Final consumption expenditure (FCE) by governments											
Hospital/nursing home care	81.6	86.2	88.4	89.2	89.9	91.6	93.5	95.4	97.3	100.0	102.3
Total, non-defence FCE	80.6	84.8	89.2	91.4	92.0	92.6	94.6	96.3	97.7	100.0	102.2
Final consumption expenditure (FCE) by households											
Doctors and other health professionals	82.4	90.4	91.8	90.2	91.2	92.5	94.0	95.2	96.8	100.0	103.1
Dental services	66.2	71.6	75.9	78.5	81.8	85.5	89.4	93.2	96.8	100.0	105.4
Medicaments/aids and appliances	87.0	92.7	97.2	97.9	98.2	98.5	99.0	99.2	99.4	100.0	100.2
Total health FCE	69.9	75.4	78.3	79.2	81.1	84.4	86.8	92.9	98.3	100.0	103.5
Private FCE on pharmaceuticals ^(a)	76.4	81.4	85.4	86.0	87.9	91.8	94.4	98.3	100.2	100.0	101.5
Gross fixed capital expenditure^(b)											
Commonwealth	137.7	136.2	138.0	135.4	133.4	126.0	122.0	113.9	110.7	100.0	90.7
State and local	91.0	94.0	94.9	95.6	96.5	97.5	99.0	98.1	99.3	100.0	99.1
Private capital	97.9	97.5	96.3	98.7	100.3	100.5	101.4	98.6	98.9	100.0	100.2
Gross domestic product	87.1	90.1	91.8	93.2	94.2	95.0	97.4	98.7	99.9	100.0	101.8

(a) The 'pharmaceuticals' index is an IPD calculated by AIHW. It reflects changes in the prices of private final consumption pharmaceutical goods, which is made up of expenditure on pharmaceuticals and aids & appliances.

(b) The Commonwealth and the State and local IPDs deflate for general government (non-defence) gross fixed capital formation.

Sources: See Technical notes.

Technical notes

Methods used to produce estimates

State and Territory expenditure tables

In this edition, health expenditure matrixes, 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 services 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 services 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 services 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, on 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 care 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 care 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 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 ‘Revisions of definitions and estimates’).

It should also be noted that the estimates of expenditure on public hospitals in this bulletin reflect the level of expenditure on 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 are 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 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 under the *Private Health Insurance Incentives Act 1997*.

For most areas of expenditure, estimates of expenditure by individuals are derived from the ABS estimates of Final Consumption Expenditure by Households (HFCE) or Private Final Consumption Expenditure (PFCE). Where HFCE is used, estimates, derived elsewhere, of funding by health insurance funds, workers' compensation insurers and compulsory motor vehicle third-party insurers are deducted to arrive at an estimate of expenditure financed by individuals. Where PFCE is used, in addition to these estimates, personal benefit payments and transfers from governments are also deducted.

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 Aged Care, and State and Territory health authorities provided most of the basic data used in this bulletin. 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–A10 and B1–B24 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.

Health expenditure figures shown in Appendix Tables A1–A10 and B1–B24 do not include any part of expenditure on services that are primarily of a welfare services nature, even where that expenditure has a health component. Also excluded are most costs associated with the training of health personnel in universities. However, in some cases, such as hospital-based training of health professionals, where the cost of training cannot be separated from the operational costs, training costs have been included.

Box 1: Periods relating to OECD year 1998

Country	Financial year
Australia	1 July 1998 to 30 June 1999
Canada	1 April 1998 to 31 March 1999
France	1 January 1998 to 31 December 1999
Germany	1 January 1998 to 31 December 1999
Japan	1 April 1998 to 31 March 1999
Netherlands	1 January 1998 to 31 December 1999
New Zealand	1 July 1998 to 30 June 1999
Sweden	1 January 1998 to 31 December 1999
United Kingdom	1 April 1998 to 31 March 1999
United States	1 October 1997 to 30 September 1998

Constant price values have been derived from current price estimates using chain volume measures to indicate changes in the volumes of particular health services. Those chain volume measures are expressed in dollar values, rather than as index numbers, using the values of the reference year (in this case, 1998–99). A full explanation of chain volume indexes is contained in the ABS publication *Chain Volume Measures in the Australian National Accounts* (ABS 1999b).

In this publication, IPDs for particular components of health expenditure are used to derive constant price estimates of expenditure on individual areas of health expenditure.

For the purposes of this analysis, the particular series of IPDs are based on chain volume indexes with a reference year of 1998–99. Therefore, the values derived from these calculations are shown in 1998–99 prices.

For the ten countries included in the international comparison of health services expenditure (see Tables 27–29), the OECD financial year 1998 refers to the periods listed in Box 1.

Price indexes

The major indexes used in deriving constant price estimates in this publication are listed in Table 30.

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. However, in the absence of the full range of volume estimates that relate to particular areas of expenditure, it is necessary to use IPDs to derive approximations of constant price expenditure on particular areas. In this edition, the IPD for:

- general government public gross fixed capital expenditure is used to deflate government capital health expenditure and government consumption of health-related capital stock;
- private gross fixed capital expenditure on non-dwelling construction is used to deflate private capital health expenditure;
- 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.

Revisions of definitions and estimates

Definitions

‘High care 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 care residential aged care.

Estimates

Some estimates of recurrent health expenditure have been revised since the publication of *Health Expenditure Bulletin No. 16*. The major revisions relate to expenditure on community and public health and high care residential aged care (formerly nursing homes).

The estimate of total expenditure on health services for 1996–97 was revised upwards from \$44,482 million to \$44,851 million, an increase of \$369 million. The 1997–98 estimate was revised upwards by \$618 million from \$47,030 million to \$47,648 million.

Community and public health

1996–97 estimates

Since the publication of *Health Expenditure Bulletin No.16*, the national estimate for expenditure on community and public health services has increased by \$273 million. This takes it from \$2,097 million to \$2,370 million. Most of this revision related to expenditure in Queensland and arose from detailed expenditure data provided by the Queensland health authority as input to a study into health expenditures for Aboriginal and Torres Strait Islander people during 1998–99.

The Queensland estimate was revised upwards by \$290 million to \$631 million.

1997–98 estimates

The 1997–98 national estimate was increased by \$388 million, from \$2,133 million to \$2,521 million. Most of these changes were in New South Wales and Queensland. Once again, they resulted from data provided by the State health authorities as input to a study into health expenditures for Aboriginal and Torres Strait Islander people during 1998–99.

The New South Wales estimate was revised up by \$198 million to \$598 million and the Queensland estimate up by \$180 million to \$616 million.

High care residential aged care (nursing homes)

1996–97 estimates

Expenditure on high care residential aged care in Australia in 1996–97 was estimated at \$3,148 million in *Health Expenditure Bulletin No.16*. That estimate has now been revised to \$3,225 million, a variation of \$77 million.

The largest change was in the estimate for New South Wales, which was increased by \$43 million. Victoria's estimate was increased by \$11 million and Queensland by \$10 million.

1997–98 estimates

The national estimate for expenditure on high care residential aged care (nursing homes) was increased by \$216 million from \$3,320 million to \$3,536 million.

The major changes were in respect of government facilities in New South Wales, Victoria, Queensland and Western Australia. The New South Wales estimate was increased by \$52 million; the estimate for Victoria was changed from \$816 million to \$926 million, an increase of \$110 million; Queensland's estimate increased by \$22 million; and the Western Australian estimate was increased by \$25 million. These changes were largely due to the inclusion of additional estimates of expenditure on high care residential aged care services operated by local government authorities that had been excluded from the previously published data.

Appendix A: National health expenditure matrices, 1989–90 to 1998–99

Table A1: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1989–90 (\$ million)	53
Table A2: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1990–91 (\$ million)	54
Table A3: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1991–92 (\$ million)	55
Table A4: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1992–93 (\$ million)	56
Table A5: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1993–94 (\$ million)	57
Table A6: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1994–95 (\$ million)	58
Table A7: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1995–96 (\$ million)	59
Table A8: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1996–97 (\$ million)	60
Table A9: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1997–98 (\$ million)	61
Table A10: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1998–99 (\$ million)	62
Table A11: Annual growth in health services expenditure, constant prices, Australia, by areas of expenditure, 1989–90 to 1998–99 (%)	63
Table A12: Proportions of recurrent health services expenditure, current prices, Australia, by areas of expenditure, 1989–90 to 1998–99 (%)	64

Table A1: Total health services expenditure, current prices, Australia, by areas of expenditure and sources of funds, 1989–90^(a) (\$ 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	3,966	4,364	8,330	1,755	320	478	2,553	10,882
Recognised public hospitals	3,438	3,884	7,323	512	—	366	878	8,201
Private hospitals	69	—	69	1,235	290	107	1,633	1,701
Repatriation hospitals	445	—	445	7	—	5	12	457
Public psychiatric hospitals	14	480	493	—	29	1	30	524
High care residential aged care	1,530	241	1,771	—	456	3	459	2,230
Ambulance	35	203	238	55	81	19	155	393
Other institutional (nec)	57	—	57	—	—	—	—	57
<i>Total institutional</i>	<i>5,587</i>	<i>4,808</i>	<i>10,395</i>	<i>1,810</i>	<i>857</i>	<i>500</i>	<i>3,167</i>	<i>13,562</i>
Medical services	3,934	—	3,934	151	585	275	1,011	4,945
Other professional services	104	—	104	141	653	103	896	1,000
Total pharmaceuticals	1,264	2	1,266	35	1,172	17	1,224	2,490
Benefit paid pharmaceuticals	1,264	—	1,264	—	185	—	185	1,448
All other pharmaceuticals	—	2	2	35	987	17	1,039	1,041
Aids and appliances	51	—	51	136	360	13	509	560
Other non-institutional services ^(c)	691	1,480	2,170	854	808	46	1,707	3,877
Community and public health ^(d)	284	1,182	1,466	1	—	43	44	1,510
Dental services	29	72	101	463	808	3	1,273	1,374
Administration	377	226	603	390	—	—	390	994
Research ^(e)	289	66	355	—	—	45	45	400
<i>Total non-institutional</i>	<i>6,332</i>	<i>1,547</i>	<i>7,880</i>	<i>1,318</i>	<i>3,577</i>	<i>497</i>	<i>5,392</i>	<i>13,272</i>
Total recurrent expenditure	11,920	6,355	18,275	3,128	4,434	997	8,559	26,834
Capital expenditure	138	694	832	n.a.	n.a.	n.a.	^(f) 624	1,456
Capital consumption	46	464	510	..	..	..	^(g) ..	510
Direct health expenditure	12,104	7,513	19,617	n.a.	n.a.	n.a.	9,183	28,800
Non-specific tax expenditure	61	..	61	..	-61	..	-61	—
Total health expenditure	12,164	7,513	19,677	n.a.	n.a.	n.a.	9,122	28,800

Notes: see Page 65

Table A2: Total health services 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	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
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 care 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	407	13	573	633
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>4,116</i>	<i>565</i>	<i>6,119</i>	<i>14,550</i>
Total recurrent expenditure	12,887	6,709	19,597	3,512	5,129	1,063	9,704	29,300
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.	10,197	31,270
Non-specific tax expenditure	85	..	85	..	-85	..	-85	—
Total health expenditure	13,200	7,958	21,158	3,512	5,044	1,556	10,112	31,270

Notes: see Page 65

Table A3: Total health services 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	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
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 care 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	427	18	607	697
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>4,520</i>	<i>487</i>	<i>6,531</i>	<i>15,657</i>
Total recurrent expenditure	13,859	6,967	20,826	3,796	5,587	967	10,350	31,175
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.	10,865	33,087
Non-specific tax expenditure	82	..	82	..	-82	..	-82	—
Total health expenditure	14,167	8,138	22,305	n.a.	n.a.	n.a.	10,783	33,087

Notes: see Page 65

Table A4: Total health services 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	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
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 care 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	430	27	623	720
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>4,843</i>	<i>555</i>	<i>6,981</i>	<i>16,980</i>
Total recurrent expenditure	15,014	6,925	21,940	3,979	5,881	1,043	10,902	32,842
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.	11,590	34,993
Non-specific tax expenditure	91	..	91	..	-91	..	-91	—
Total health expenditure	15,291	8,202	23,494	n.a.	n.a.	n.a.	11,499	34,993

Notes: see Page 65

Table A5: Total health services 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	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
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 care 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	433	29	630	768
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>5,028</i>	<i>579</i>	<i>7,235</i>	<i>18,170</i>
Total recurrent expenditure	16,447	6,488	22,935	4,075	6,164	1,238	11,478	34,412
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.	12,332	36,787
Non-specific tax expenditure	95	..	95	..	-95	..	-95	—
Total health expenditure	16,683	7,868	24,550	n.a.	n.a.	n.a.	12,237	36,787

Notes: see Page 65

Table A6: Total health services 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 care 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	438	25	632	778
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>5,386</i>	<i>716</i>	<i>7,777</i>	<i>19,541</i>
Total recurrent expenditure	17,428	6,964	24,392	4,201	6,545	1,490	12,235	36,627
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.	13,048	38,967
Non-specific tax expenditure	91	..	91	..	-91	..	-91	—
Total health expenditure	17,551	8,460	26,010	n.a.	n.a.	n.a.	12,957	38,967

Notes: see Page 65

Table A7: Total health services 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 care 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	438	32	642	789
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>5,459</i>	<i>765</i>	<i>7,948</i>	<i>21,001</i>
Total recurrent expenditure	18,794	7,804	26,598	4,426	6,557	1,810	12,793	39,390
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.	13,631	41,783
Non-specific tax expenditure	105	..	105	..	-105	..	-105	—
Total health expenditure	18,997	9,260	28,257	n.a.	n.a.	n.a.	13,526	41,783

Notes: see Page 65

Table A8: Total health services 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 care residential aged care	2,298	221	2,519	—	699	7	706	3,225
Ambulance	46	210	256	93	126	33	252	509
<i>Total institutional</i>	<i>8,121</i>	<i>6,300</i>	<i>14,422</i>	<i>2,890</i>	<i>1,227</i>	<i>1,049</i>	<i>5,166</i>	<i>19,588</i>
Medical services	6,713	—	6,713	229	818	438	1,485	8,198
Other professional services	203	—	203	225	990	191	1,406	1,609
Total pharmaceuticals	2,718	11	2,729	44	2,245	37	2,327	5,056
Benefit paid pharmaceuticals	2,718	—	2,718	—	550	—	550	3,268
All other pharmaceuticals	—	11	11	44	1,696	37	1,777	1,788
Aids and appliances	154	—	154	184	467	37	688	842
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>6,072</i>	<i>834</i>	<i>8,716</i>	<i>22,581</i>
Total recurrent expenditure	19,598	8,688	28,286	4,700	7,299	1,883	13,882	42,168
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	10,315	29,997	n.a.	n.a.	n.a.	14,855	44,851
Non-specific tax expenditure	125	..	125	..	-125	..	-125	—
Total health expenditure	19,806	10,315	30,122	n.a.	n.a.	n.a.	14,730	44,851

Notes: see Page 65

Table A9: Total health services 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	6,362	12,757	2,754	147	2,607	423	1,095	4,124	16,881
Public (non-psychiatric)c hospitals	5,820	17	5,837	6,009	11,847	329	17	311	89	596	996	12,843
Public psychiatric hospitals	7	—	7	353	360	—	—	—	13	6	19	379
Private hospitals	420	130	550	—	550	2,425	130	2,295	321	493	3,109	3,659
High care residential aged care	2,759	—	2,759	252	3,010	—	—	—	522	4	525	3,536
Ambulance	84	6	90	281	370	112	6	106	129	38	273	643
<i>Total institutional</i>	<i>9,090</i>	<i>153</i>	<i>9,243</i>	<i>6,894</i>	<i>16,137</i>	<i>2,865</i>	<i>153</i>	<i>2,712</i>	<i>1,073</i>	<i>1,137</i>	<i>4,923</i>	<i>21,060</i>
Medical services	6,957	14	6,970	—	6,970	230	14	217	897	445	1,558	8,529
Other professional services	207	12	219	—	219	226	12	214	1,046	173	1,434	1,653
Total pharmaceuticals	2,783	2	2,785	16	2,801	36	2	34	2,463	37	2,534	5,335
Benefit paid pharmaceuticals	2,783	—	2,783	—	2,783	—	—	—	593	—	593	3,377
All other pharmaceuticals	—	2	2	16	18	36	2	34	1,869	37	1,941	1,959
Aids and appliances	164	10	174	—	174	187	10	177	435	38	649	823
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>6,452</i>	<i>831</i>	<i>9,003</i>	<i>23,545</i>
Total recurrent	20,976	252	21,227	9,452	30,679	4,685	252	4,434	7,525	1,967	13,926	44,605
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	21,080	252	21,331	11,397	32,728	n.a.	n.a.	n.a.	n.a.	n.a.	14,919	47,648
Non-specific tax expenditure	290	..	290	..	290	..	..	..	-290	..	-290	—
Total health expenditure	21,370	252	21,621	11,397	33,018	n.a.	n.a.	n.a.	n.a.	n.a.	14,629	47,648

Notes: see Page 65

Table A10: Total health services 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						
	Direct Outlays	Premium rebates	Total			Gross	Premium rebates	Net	Individuals	Other ^(b)	Total	Total
Total hospitals	7,101	454	7,555	6,516	14,071	2,813	454	2,358	664	938	3,960	18,031
Public (non-psychiatric)c hospitals	6,591	47	6,638	6,146	12,784	289	47	242	288	361	891	13,675
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 care residential aged care	3,011	—	3,011	244	3,255	—	—	—	789	22	811	4,066
Ambulance	17	20	37	322	359	125	20	105	179	52	336	694
<i>Total institutional</i>	<i>10,129</i>	<i>474</i>	<i>10,604</i>	<i>7,081</i>	<i>17,685</i>	<i>2,938</i>	<i>474</i>	<i>2,463</i>	<i>1,632</i>	<i>1,012</i>	<i>5,107</i>	<i>22,792</i>
Medical services	7,332	41	7,372	—	7,372	253	41	212	936	480	1,628	9,001
Other professional services	194	38	232	—	232	235	38	197	1,191	240	1,628	1,860
Total pharmaceuticals	3,086	6	3,092	—	3,092	36	6	30	2,697	—	2,727	5,819
Benefit paid pharmaceuticals	3,086	—	3,086	—	3,086	—	—	—	601	—	601	3,688
All other pharmaceuticals	—	6	6	—	6	36	6	30	2,096	—	2,126	2,132
Aids and appliances	88	30	118	—	118	186	30	156	301	58	515	634
Other non-institutional services ^(c)	1,341	193	1,534	2,262	3,796	1,195	193	1,002	1,716	138	2,856	6,652
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>12,859</i>	<i>2,355</i>	<i>15,214</i>	<i>1,905</i>	<i>308</i>	<i>1,597</i>	<i>6,841</i>	<i>1,037</i>	<i>9,476</i>	<i>24,689</i>
Total recurrent	22,680	782	23,462	9,436	32,899	4,843	782	4,061	8,473	2,049	14,583	47,481
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	22,785	782	23,567	11,852	35,420	n.a.	n.a.	n.a.	n.a.	n.a.	15,591	51,011
Non-specific tax expenditure	325	..	325	..	325	..	..	..	-325	..	-325	—
Total health expenditure	23,110	782	23,892	11,852	35,745	n.a.	n.a.	n.a.	n.a.	n.a.	15,266	51,011

Notes: see Page 65

Table A11: Annual growth in health services expenditure, constant prices^(h), Australia, by areas of expenditure, 1989–90 to 1998–99 (%)

Area of expenditure	1989–90 to 1990–91	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	Average growth		
										1989–90 to 1998–99	1989–90 to 1992–93	1992–93 to 1997–98
Total institutional	3.0	2.5	1.2	1.7	3.3	5.4	4.5	5.7	5.0	3.6	2.2	4.1
Hospitals	2.2	2.8	1.3	1.7	4.1	5.2	5.2	4.5	3.8	3.4	2.1	4.1
Public (non-psychiatric) hospitals	0.3	1.9	0.9	0.9	3.1	4.7	5.2	5.4	3.5	2.9	1.0	3.8
Public psychiatric hospitals	1.7	-2.0	-10.2	-5.0	-4.3	-7.4	-11.3	-9.1	1.9	-5.2	-3.6	-7.5
Private hospitals	11.8	8.4	5.8	6.8	9.6	8.9	7.7	2.9	5.3	7.4	8.6	7.1
High care residential aged care	7.4	0.9	0.3	-0.1	0.9	5.5	7.2	8.6	10.6	4.5	2.8	4.4
Ambulance	-0.1	3.4	2.7	0.9	-6.6	11.6	-2.7	24.5	5.3	4.0	2.0	5.0
Other institutional (nec)	7.3	4.1	-1.3	66.7	6.3	7.4	—	—	—	-43.5	3.3	..
Total non-institutional	1.8	5.3	6.6	5.4	5.5	5.3	5.4	2.5	2.5	4.5	4.5	4.8
Medical services	1.1	10.2	6.2	6.0	5.7	4.9	2.8	2.3	2.2	4.6	5.8	4.3
Other health professionals	5.4	-0.4	5.0	1.9	4.1	1.2	17.7	1.0	9.0	4.8	3.3	5.0
Pharmaceuticals	5.6	6.3	9.2	9.0	9.6	7.9	6.8	4.7	8.8	7.5	7.0	7.6
Benefit paid items	-4.9	5.7	19.6	16.1	11.2	17.1	8.8	3.1	8.6	9.2	6.3	11.1
All other items	18.3	7.0	-0.9	0.6	7.5	-5.0	3.4	7.5	9.1	5.1	7.9	2.7
Aids and appliances	6.3	4.9	2.5	4.4	-3.0	-1.3	2.4	-4.1	-22.9	-1.6	4.5	-0.4
Other non-institutional (nec)	2.9	-1.3	-1.7	-0.3	0.9	-1.3	—	—	—	..	-0.1	..
Community/public health	-15.1	-5.5	16.2	11.4	-4.9	16.1	18.1	5.5	9.9	4.7	-2.0	8.1
Dental services	4.6	0.3	13.3	1.5	1.5	4.6	2.6	-2.3	-4.1	2.4	6.0	1.6
Health administration	7.8	7.9	-10.9	-6.3	19.9	-3.3	-4.8	11.7	-13.9	0.3	1.2	2.9
Research	2.4	2.8	-0.1	11.3	10.0	5.1	5.7	-6.0	8.5	4.3	1.7	5.1
Total recurrent	2.4	3.9	3.9	3.6	4.4	5.4	5.0	4.0	3.7	4.0	3.4	4.5
Capital outlays	-0.9	-2.7	17.4	13.8	-0.3	-6.2	20.6	13.7	8.0	6.6	4.2	7.8
Capital consumption	2.2	-4.6	2.4	3.0	2.4	0.5	-6.4	7.8	47.0	5.1	—	1.4
<i>Total capital</i>	-0.1	-3.5	14.7	12.3	0.3	-5.1	15.5	13.8	17.0	6.3	3.1	6.4
Direct health expenditure	2.2	3.5	4.4	4.0	4.2	4.8	5.5	4.5	4.4	4.2	3.4	4.6

Table A12: Proportions of recurrent health services expenditure, current prices, Australia, by areas of expenditure, 1989–90 to 1998–99 (%)

Area of expenditure	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99
Total institutional	50.5	50.3	49.8	48.3	47.2	46.6	46.7	46.5	47.2	48.0
Hospitals	40.6	40.1	39.7	38.6	37.7	37.6	37.5	37.6	37.8	38.0
Public (non-psychiatric) hospitals	32.3	31.3	30.7	29.8	28.8	28.5	28.3	28.3	28.8	28.8
Public psychiatric hospitals	2.0	1.9	1.8	1.6	1.4	1.3	1.1	1.0	0.9	0.8
Private hospitals	6.3	6.9	7.2	7.3	7.5	7.8	8.1	8.3	8.2	8.3
High care residential aged care	8.3	8.6	8.4	8.1	7.8	7.5	7.5	7.6	7.9	8.6
Ambulance	1.5	1.4	1.4	1.4	1.4	1.2	1.3	1.2	1.4	1.5
Other institutional (nec)	0.2	0.2	0.2	0.2	0.3	0.3	0.4	—	—	—
Total non-institutional	49.5	49.7	50.2	51.7	52.8	53.4	53.3	53.5	52.8	52.0
Medical services	18.4	18.7	19.0	19.6	20.0	20.2	20.0	19.4	19.1	19.0
Other health professionals	3.7	3.9	3.7	3.7	3.6	3.6	3.4	3.8	3.7	3.9
Pharmaceuticals	9.3	9.5	9.9	10.4	11.0	11.6	11.8	12.0	12.0	12.3
Benefit paid items	5.4	5.0	5.2	6.0	6.6	7.0	7.6	7.7	7.6	7.8
All other items	3.9	4.5	4.7	4.5	4.4	4.6	4.2	4.2	4.4	4.5
Aids and appliances	2.1	2.2	2.2	2.2	2.2	2.1	2.0	2.0	1.8	1.3
Other non-institutional services ^(c)	14.4	13.8	13.8	14.4	14.4	14.3	14.5	14.7	14.7	14.0
Community/public health	5.6	4.7	4.4	4.9	5.2	4.7	5.1	5.6	5.7	5.9
Dental services	5.1	5.3	5.3	5.9	6.0	5.9	6.0	6.0	5.8	5.4
Health administration	3.7	3.8	4.1	3.6	3.2	3.6	3.3	3.0	3.2	2.7
Research	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.5	1.5
Total recurrent	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 services. It does not show gross outlays on health services by the different service provider sectors.
- (b) 'Other' includes expenditure on health 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 services 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 outlays 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 services expenditure for 1989-90 to 1998-99 from which these growth rates were calculated is expressed in chain volume measures referenced to the year 1998-99.

Appendix B: State and Territory health expenditure matrices, 1996–97 to 1998–99

Table B1:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	68
Table B2:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1997–98 (\$ million).....	69
Table B3:	Total health expenditure, current prices, New South Wales, by areas of expenditure and sources of funds, 1998–99 (\$ million).....	70
Table B4:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	71
Table B5:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1997–98 (\$ million).....	72
Table B6:	Total health expenditure, current prices, Victoria, by areas of expenditure and sources of funds, 1998–99 (\$ million).....	73
Table B7:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	74
Table B8:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1997–98 (\$ million).....	75
Table B9:	Total health expenditure, current prices, Queensland, by areas of expenditure and sources of funds, 1998–99 (\$ million).....	76
Table B10:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	77
Table B11:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1997–98 (\$ million).....	78
Table B12:	Total health expenditure, current prices, Western Australia, by areas of expenditure and sources of funds, 1998–99 (\$ million).....	79
Table B13:	Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	80
Table B14:	Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1997–98 (\$ million).....	81
Table B15:	Total health expenditure, current prices, South Australia, by areas of expenditure and sources of funds, 1998–99 (\$ million).....	82
Table B16:	Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1996–97 (\$ million).....	83

Table B17: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1997-98 (\$ million).....	84
Table B18: Total health expenditure, current prices, Tasmania, by areas of expenditure and sources of funds, 1998-99 (\$ million).....	85
Table B19: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1996-97 (\$ million).....	86
Table B20: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1997-98 (\$ million).....	87
Table B21: Total health expenditure, current prices, Australian Capital Territory, by areas of expenditure and sources of funds, 1998-99 (\$ million).....	88
Table B22: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1996-97 (\$ million).....	89
Table B23: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1997-98 (\$ million).....	90
Table B24: Total health expenditure, current prices, Northern Territory, by areas of expenditure and sources of funds, 1998-99 (\$ million).....	91

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 care residential aged care	20	917	937	59	996	—	278	7	285	1,280
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>2,473</i>	<i>5,306</i>	<i>916</i>	<i>331</i>	<i>513</i>	<i>1,760</i>	<i>7,066</i>
Medical services	153	2,309	2,462	—	2,462	75	281	187	543	3,004
Other professional services	22	51	72	—	72	84	337	74	494	566
Total pharmaceuticals	73	944	1,017	—	1,017	19	805	16	840	1,857
Benefit paid pharmaceuticals	73	944	1,017	—	1,017	—	200	—	200	1,217
All other pharmaceuticals	—	—	—	—	—	19	604	16	640	640
Aids and appliances	3	50	53	—	53	82	103	16	202	255
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>2,129</i>	<i>332</i>	<i>3,165</i>	<i>7,791</i>
Total recurrent expenditure	604	6,360	6,964	2,968	9,932	1,619	2,460	845	4,925	14,857
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	3,601	10,587	n.a.	n.a.	n.a.	5,185	15,773

Notes: see Page 92

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	2,604	4,692	777	85	417	1,279	5,972
Public non-psychiatric hospitals	169	1,741	1,911	2,467	4,377	147	10	234	391	4,768
Recognised public hospitals	154	1,741	1,895	2,467	4,362	147	10	234	390	4,752
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 care residential aged	75	980	1,055	80	1,135	—	169	4	173	1,308
Ambulance	10	11	21	102	123	76	15	18	109	232
<i>Total institutional</i>	<i>385</i>	<i>2,779</i>	<i>3,164</i>	<i>2,787</i>	<i>5,950</i>	<i>853</i>	<i>270</i>	<i>438</i>	<i>1,561</i>	<i>7,512</i>
Medical services	161	2,394	2,555	—	2,555	68	311	192	572	3,127
Other professional services	25	54	78	—	78	78	363	62	504	582
Total pharmaceuticals	82	956	1,038	—	1,038	17	865	15	896	1,934
Benefit paid pharmaceuticals	82	955	1,037	—	1,037	—	215	—	215	1,252
All other pharmaceuticals	—	1	1	—	1	17	650	15	681	682
Aids and appliances	—	58	58	—	58	78	118	17	213	272
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>2,285</i>	<i>326</i>	<i>3,272</i>	<i>8,117</i>
Total recurrent expenditure	669	6,790	7,458	3,337	10,795	1,515	2,555	765	4,834	15,629
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	6,815	7,484	3,916	11,400	n.a.	n.a.	n.a.	5,231	16,631

Notes: see Page 92

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	2,203	2,564	2,748	5,311	722	164	246	1,132	6,444
Public non-psychiatric hospitals	203	2,088	2,290	2,609	4,899	121	146	26	293	5,193
Private hospitals	153	116	269	—	269	602	17	210	829	1,098
Public psychiatric hospitals	5	—	5	138	143	—	—	10	10	153
High care residential aged	133	1,020	1,152	71	1,224	—	263	3	266	1,490
Ambulance	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>493</i>	<i>3,239</i>	<i>3,732</i>	<i>2,965</i>	<i>6,697</i>	<i>793</i>	<i>425</i>	<i>274</i>	<i>1,492</i>	<i>8,189</i>
Medical services	182	2,505	2,687	—	2,687	65	331	227	622	3,309
Other professional services	—	78	78	—	78	71	413	91	574	652
Total pharmaceuticals	79	1,045	1,124	—	1,124	15	932	—	947	2,070
Benefit paid pharmaceuticals	79	1,042	1,121	—	1,121	—	220	—	220	1,341
All other pharmaceuticals	—	3	3	—	3	15	712	—	726	729
Aids and appliances	—	43	43	—	43	67	88	31	185	228
Other non-institutional services	—	455	455	522	977	379	608	92	1,079	2,055
Community and public health ^(c)	—	244	244	398	641	—	31	84	115	757
Dental services	—	40	40	74	113	196	577	8	781	894
Administration	—	171	171	50	222	183	—	—	183	405
Research	—	130	130	36	166	—	—	33	33	199
<i>Total non-institutional</i>	<i>261</i>	<i>4,255</i>	<i>4,515</i>	<i>558</i>	<i>5,073</i>	<i>596</i>	<i>2,371</i>	<i>473</i>	<i>3,441</i>	<i>8,514</i>
Total recurrent expenditure	754	7,493	8,247	3,523	11,770	1,389	2,796	747	4,932	16,702
Capital expenditure	—	19	19	232	252	n.a.	n.a.	n.a.	^(d) 317	569
Capital consumption	—	5	5	292	296	..	..	..	^(e) ..	296
Total health expenditure	754	7,517	8,271	4,047	12,318	n.a.	n.a.	n.a.	5,250	17,567

Notes: see Page 92

Table B4: 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 care residential aged care	11	539	550	55	605	—	161	—	161	766
Ambulance	6	—	6	59	64	7	49	8	64	128
<i>Total institutional</i>	237	1,650	1,887	1,468	3,355	789	396	254	1,439	4,795
Medical services	97	1,593	1,690	—	1,690	63	203	74	339	2,030
Other professional services	12	35	47	—	47	40	313	40	393	440
Total pharmaceuticals	38	629	666	11	677	5	495	10	510	1,187
Benefit paid pharmaceuticals	38	629	666	—	666	—	135	—	135	801
All other pharmaceuticals	—	—	—	11	11	5	360	10	375	386
Aids and appliances	—	33	33	—	33	29	127	8	164	197
Other non-institutional services	20	259	279	345	624	230	618	3	850	1,474
Community and public ^(c) health(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>	168	2,693	2,861	399	3,260	367	1,756	178	2,301	5,561
Total recurrent expenditure	405	4,343	4,748	1,868	6,616	1,156	2,152	432	3,740	10,356
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	2,113	6,883	n.a.	n.a.	n.a.	4,060	10,943

Notes: see Page 92

Table B5: 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	1,420	2,884	734	182	324	1,240	4,124
Public non-psychiatric hospitals	140	1,214	1,354	1,420	2,774	66	58	189	313	3,087
Private hospitals	78	31	110	—	110	668	124	134	926	1,036
Public psychiatric hospitals	—	—	—	—	—	—	—	1	1	1
High care residential aged	51	642	692	55	748	—	178	—	178	926
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>1,542</i>	<i>3,705</i>	<i>740</i>	<i>413</i>	<i>333</i>	<i>1,485</i>	<i>5,190</i>
Medical services	101	1,633	1,735	—	1,735	61	219	75	355	2,089
Other professional services	14	37	51	—	51	37	328	38	403	454
Total pharmaceuticals	43	635	678	14	693	4	536	11	551	1,244
Benefit paid pharmaceuticals	43	635	678	—	678	—	145	—	145	823
All other pharmaceuticals	—	—	—	14	15	4	391	11	406	421
Aids and appliances	—	41	41	—	41	27	106	9	141	182
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>1,828</i>	<i>182</i>	<i>2,355</i>	<i>5,816</i>
Total recurrent expenditure	441	4,686	5,127	2,039	7,166	1,084	2,241	515	3,840	11,006
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	2,416	7,563	n.a.	n.a.	n.a.	3,991	11,554

Notes: see Page 92

Table B6: 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	1,599	1,869	1,273	3,141	650	282	334	1,266	4,407
Public non-psychiatric hospitals	171	1,483	1,654	1,260	2,914	46	123	171	340	3,254
Private hospitals	98	116	215	—	215	603	160	162	925	1,139
Public psychiatric hospitals	—	—	—	12	13	—	—	1	1	13
High care residential aged care	98	644	741	70	812	—	208	—	208	1,019
Ambulance	—	1	1	14	15	7	75	11	92	107
<i>Total institutional</i>	<i>368</i>	<i>2,244</i>	<i>2,612</i>	<i>1,356</i>	<i>3,968</i>	<i>657</i>	<i>565</i>	<i>344</i>	<i>1,566</i>	<i>5,534</i>
Medical services	114	1,747	1,862	—	1,862	60	227	82	370	2,231
Other professional services	—	54	54	—	54	35	355	65	455	509
Total pharmaceuticals	49	710	759	—	759	3	616	—	619	1,378
Benefit paid pharmaceuticals	49	709	758	—	758	—	150	—	150	908
All other pharmaceuticals	—	1	1	—	1	3	466	—	470	470
Aids and appliances	—	27	27	—	27	25	49	15	88	115
Other non-institutional services	—	324	324	433	757	203	614	—	818	1,575
Community and public health ^(c)	—	190	190	383	573	—	13	—	13	586
Dental services	—	18	18	50	68	84	601	—	685	754
Administration	—	116	116	—	116	119	—	—	119	235
Research	—	163	163	18	180	—	—	49	49	230
<i>Total non-institutional</i>	<i>163</i>	<i>3,024</i>	<i>3,188</i>	<i>451</i>	<i>3,638</i>	<i>327</i>	<i>1,861</i>	<i>212</i>	<i>2,400</i>	<i>6,038</i>
Total recurrent expenditure	531	5,268	5,799	1,807	7,606	983	2,425	556	3,965	11,572
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	531	5,287	5,818	2,521	8,339	n.a.	n.a.	n.a.	4,191	12,530

Notes: see Page 92

Table B7: 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 care residential aged care	8	324	333	50	382	—	114	—	114	496
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>1,088</i>	<i>2,500</i>	<i>526</i>	<i>221</i>	<i>81</i>	<i>828</i>	<i>3,327</i>
Medical services	94	1,112	1,206	—	1,206	43	155	28	226	1,432
Other professional services	12	28	39	—	39	37	174	15	226	265
Total pharmaceuticals	37	434	472	—	472	8	400	2	409	881
Benefit paid pharmaceuticals	37	434	472	—	472	—	96	—	96	567
All other pharmaceuticals	—	—	—	—	—	8	304	2	313	313
Aids and appliances	—	28	28	—	28	30	106	1	137	165
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>979</i>	<i>61</i>	<i>1,321</i>	<i>3,969</i>
Total recurrent expenditure	319	3,142	3,461	1,686	5,148	807	1,200	142	2,149	7,296
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	2,110	5,586	n.a.	n.a.	n.a.	2,379	7,965

Notes: see Page 92

Table B8: 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	1,006	2,191	494	69	114	677	2,868
Public non-psychiatric hospitals	8	1,008	1,016	913	1,929	34	8	46	89	2,017
Private hospitals	144	23	167	—	167	459	57	66	583	750
Public psychiatric hospitals	2	—	2	93	95	—	4	2	6	101
High care residential aged care	23	403	427	63	490	—	58	—	58	547
Ambulance	7	17	25	62	87	9	36	2	47	134
<i>Total institutional</i>	<i>185</i>	<i>1,451</i>	<i>1,636</i>	<i>1,132</i>	<i>2,767</i>	<i>502</i>	<i>163</i>	<i>116</i>	<i>782</i>	<i>3,549</i>
Medical services	102	1,171	1,274	—	1,274	42	171	32	245	1,519
Other professional services	13	30	43	—	43	35	179	15	230	273
Total pharmaceuticals	43	449	491	—	491	6	449	1	456	948
Benefit paid pharmaceuticals	43	448	491	—	491	—	105	—	105	596
All other pharmaceuticals	—	—	—	—	—	6	343	1	351	351
Aids and appliances	—	32	32	—	32	28	90	1	119	151
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>1,040</i>	<i>66</i>	<i>1,377</i>	<i>4,117</i>
Total recurrent expenditure	353	3,421	3,774	1,733	5,507	773	1,203	183	2,159	7,666
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	3,435	3,788	2,370	6,158	n.a.	n.a.	n.a.	2,332	8,490

Notes: see Page 92

Table B9: 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	1,201	1,386	992	2,378	444	47	133	624	3,002
Public non-psychiatric hospitals	21	1,121	1,141	901	2,042	26	-1	47	72	2,114
Private hospitals	163	80	244	—	244	418	44	85	547	790
Public psychiatric hospitals	1	—	1	91	93	—	4	2	5	98
High care residential aged care	67	425	492	45	537	—	130	19	149	686
Ambulance	—	6	6	70	76	7	66	5	78	154
<i>Total institutional</i>	<i>252</i>	<i>1,632</i>	<i>1,884</i>	<i>1,107</i>	<i>2,991</i>	<i>451</i>	<i>242</i>	<i>158</i>	<i>851</i>	<i>3,842</i>
Medical services	116	1,238	1,353	—	1,353	40	176	27	243	1,597
Other professional services	—	42	42	—	42	32	192	13	237	279
Total pharmaceuticals	62	498	560	—	560	6	483	—	488	1,048
Benefit paid pharmaceuticals	62	497	559	—	559	—	105	—	105	664
All other pharmaceuticals	—	1	1	—	1	6	378	—	383	384
Aids and appliances	—	21	21	—	21	25	57	2	84	106
Other non-institutional services	—	243	243	616	859	155	205	1	362	1,220
Community and public health ^(c)	—	146	146	492	637	—	20	—	21	658
Dental services	—	16	16	91	107	76	185	1	262	369
Administration	—	82	82	33	114	79	—	—	79	193
Research	—	70	70	17	86	—	—	16	16	102
<i>Total non-institutional</i>	<i>177</i>	<i>2,112</i>	<i>2,289</i>	<i>632</i>	<i>2,922</i>	<i>258</i>	<i>1,114</i>	<i>59</i>	<i>1,431</i>	<i>4,352</i>
Total recurrent expenditure	430	3,744	4,174	1,739	5,913	709	1,356	216	2,282	8,195
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	430	3,756	4,186	2,458	6,644	n.a.	n.a.	n.a.	2,553	9,197

Notes: see Page 92

Table B10: 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 care residential aged care	4	170	173	17	190	—	54	—	54	244
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>562</i>	<i>1,308</i>	<i>259</i>	<i>114</i>	<i>94</i>	<i>468</i>	<i>1,775</i>
Medical services	27	528	555	—	555	19	67	49	135	690
Other professional services	4	14	18	—	18	29	61	26	116	134
Total pharmaceuticals	11	207	219	—	219	4	228	5	237	455
Benefit paid pharmaceuticals	11	207	219	—	219	—	47	—	47	266
All other pharmaceuticals	—	—	—	—	—	4	181	5	189	189
Aids and appliances	—	16	16	—	16	16	52	4	72	88
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>454</i>	<i>94</i>	<i>756</i>	<i>2,028</i>
Total recurrent expenditure	109	1,583	1,693	888	2,581	467	568	188	1,223	3,804
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	992	2,689	n.a.	n.a.	n.a.	1,261	3,949

Notes: see Page 92

Table B11: 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	653	1,291	243	37	106	385	1,676
Public non-psychiatric hospitals	9	569	577	593	1,171	28	12	53	92	1,263
Private hospitals	47	14	61	—	61	215	24	52	291	352
Public psychiatric hospitals	—	—	—	59	60	—	1	1	2	61
High care residential aged care	6	202	209	17	226	—	62	—	62	288
Ambulance	3	17	20	18	38	13	6	3	21	59
<i>Total institutional</i>	<i>64</i>	<i>802</i>	<i>867</i>	<i>687</i>	<i>1,554</i>	<i>255</i>	<i>105</i>	<i>108</i>	<i>469</i>	<i>2,023</i>
Medical services	28	552	581	—	581	17	75	49	141	722
Other professional services	5	14	19	—	19	30	63	24	117	136
Total pharmaceuticals	13	211	224	—	224	3	257	5	266	490
Benefit paid pharmaceuticals	13	211	224	—	224	—	52	—	52	276
All other pharmaceuticals	—	—	—	—	—	3	205	5	214	214
Aids and appliances	—	17	17	—	17	18	52	4	74	91
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>495</i>	<i>92</i>	<i>792</i>	<i>2,221</i>
Total recurrent expenditure	114	1,780	1,895	1,088	2,983	460	600	200	1,261	4,244
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	1,787	1,901	1,207	3,109	n.a.	n.a.	n.a.	1,430	4,539

Notes: see Page 92

Table B12: 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	649	732	647	1,379	231	96	87	413	1,792
Public non-psychiatric hospitals	27	609	636	590	1,226	21	14	40	74	1,301
Private hospitals	55	40	95	—	95	209	81	47	338	433
Public psychiatric hospitals	—	—	—	57	57	—	1	—	1	58
High care residential aged	30	198	228	29	258	—	73	—	73	331
Ambulance	—	10	10	24	34	17	8	3	28	62
<i>Total institutional</i>	<i>113</i>	<i>857</i>	<i>970</i>	<i>700</i>	<i>1,670</i>	<i>248</i>	<i>177</i>	<i>90</i>	<i>515</i>	<i>2,185</i>
Medical services	33	579	612	—	612	17	82	42	141	753
Other professional services	—	23	23	—	23	29	83	28	139	163
Total pharmaceuticals	15	236	250	—	250	3	262	—	265	515
Benefit paid pharmaceuticals	15	235	250	—	250	—	50	—	50	300
All other pharmaceuticals	—	1	1	—	1	3	213	—	215	216
Aids and appliances	—	12	12	—	12	16	42	5	63	74
Other non-institutional services	—	170	170	208	379	130	142	30	303	681
Community and public health ^(c)	—	105	105	158	263	—	7	—	7	269
Dental services	—	17	17	39	55	84	136	1	221	276
Administration	—	49	49	12	61	46	—	29	75	136
Research	—	39	39	9	48	—	—	8	8	56
<i>Total non-institutional</i>	<i>48</i>	<i>1,060</i>	<i>1,107</i>	<i>217</i>	<i>1,324</i>	<i>194</i>	<i>611</i>	<i>113</i>	<i>919</i>	<i>2,243</i>
Total recurrent expenditure	161	1,917	2,077	918	2,995	442	788	203	1,433	4,428
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	161	1,923	2,084	1,137	3,221	n.a.	n.a.	n.a.	1,583	4,804

Notes: see Page 92

Table B13: 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 care residential aged	5	205	209	34	243	—	66	—	66	309
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>400</i>	<i>1,206</i>	<i>263</i>	<i>90</i>	<i>45</i>	<i>398</i>	<i>1,604</i>
Medical services	24	492	516	—	516	22	61	70	153	670
Other professional services	4	11	15	—	15	29	67	21	116	131
Total pharmaceuticals	12	216	228	—	228	6	209	2	218	446
Benefit paid pharmaceuticals	12	216	228	—	228	—	45	—	45	273
All other pharmaceuticals	—	—	—	—	—	6	164	2	173	173
Aids and appliances	—	17	17	—	17	19	55	3	77	94
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>470</i>	<i>108</i>	<i>773</i>	<i>1,853</i>
Total recurrent expenditure	130	1,598	1,729	557	2,286	458	560	153	1,171	3,457
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	705	2,440	n.a.	n.a.	n.a.	1,256	3,695

Notes: see Page 92

Table B14: 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	405	1,045	234	9	51	293	1,337
Public non-psychiatric hospitals	56	563	619	353	972	21	2	19	42	1,014
Private hospitals	9	11	20	—	20	212	3	32	247	267
Public psychiatric hospitals	—	—	—	52	52	—	4	—	4	56
High care residential aged	14	240	255	32	287	—	43	—	43	329
Ambulance	4	9	13	16	29	3	7	6	16	45
<i>Total institutional</i>	84	823	907	454	1,361	236	58	56	351	1,712
Medical services	27	507	533	—	533	22	65	66	153	687
Other professional services	5	12	17	—	17	28	72	17	117	134
Total pharmaceuticals	14	217	231	—	231	3	229	2	234	466
Benefit paid pharmaceuticals	14	217	231	—	231	—	48	—	48	279
All other pharmaceuticals	—	—	—	—	—	3	181	2	186	186
Aids and appliances	—	16	16	—	16	19	44	2	66	82
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>	49	917	966	143	1,109	188	492	101	781	1,890
Total recurrent expenditure	133	1,740	1,873	596	2,470	424	551	157	1,132	3,602
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	1,748	1,881	770	2,651	n.a.	n.a.	n.a.	1,203	3,853

Notes: see Page 92

Table B15: 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	549	618	506	1,124	204	30	51	285	1,408
Public non-psychiatric hospitals	57	513	570	435	1,005	17	12	20	48	1,053
Private hospitals	11	36	47	—	47	187	14	31	233	280
Public psychiatric hospitals	—	—	—	71	71	—	4	—	4	75
High care residential aged	26	242	268	27	296	—	82	—	82	378
Ambulance	—	1	1	32	33	3	18	6	27	60
<i>Total institutional</i>	<i>95</i>	<i>792</i>	<i>887</i>	<i>565</i>	<i>1,452</i>	<i>207</i>	<i>130</i>	<i>57</i>	<i>394</i>	<i>1,846</i>
Medical services	29	532	561	—	561	25	62	73	159	721
Other professional services	—	20	20	—	20	25	87	20	132	152
Total pharmaceuticals	17	239	256	—	256	2	281	—	284	540
Benefit paid pharmaceuticals	17	239	255	—	255	—	50	—	50	306
All other pharmaceuticals	—	—	—	—	—	2	231	—	233	234
Aids and appliances	—	10	10	—	10	17	48	2	68	78
Other non-institutional services	—	131	131	189	320	103	65	1	169	489
Community and public health ^(c)	—	79	79	93	172	—	2	—	2	175
Dental services	—	11	11	29	40	51	63	1	115	155
Administration	—	41	41	67	108	52	—	—	52	159
Research	—	58	58	4	62	—	—	5	5	67
<i>Total non-institutional</i>	<i>46</i>	<i>990</i>	<i>1,036</i>	<i>194</i>	<i>1,230</i>	<i>173</i>	<i>544</i>	<i>100</i>	<i>817</i>	<i>2,046</i>
Total recurrent expenditure	141	1,782	1,923	759	2,682	380	674	157	1,210	3,892
Capital expenditure	—	5	5	81	87	n.a.	n.a.	n.a.	^(d) 28	115
Capital consumption	—	2	2	74	76	..	..	..	^(e) ..	76
Total health expenditure	141	1,789	1,930	914	2,844	n.a.	n.a.	n.a.	1,239	4,083

Notes: see Page 92

Table B16: 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 care residential aged	1	70	71	7	79	—	20	—	20	99
Ambulance	1	—	1	10	12	—	6	1	7	19
<i>Total institutional</i>	<i>28</i>	<i>215</i>	<i>243</i>	<i>123</i>	<i>366</i>	<i>87</i>	<i>57</i>	<i>29</i>	<i>173</i>	<i>539</i>
Medical services	13	144	157	—	157	6	23	15	45	202
Other professional services	2	4	6	—	6	5	15	10	29	35
Total pharmaceuticals	7	69	77	—	77	2	60	1	63	139
Benefit paid pharmaceuticals	7	69	77	—	77	—	15	—	15	91
All other pharmaceuticals	—	—	—	—	—	2	45	1	48	48
Aids and appliances	—	4	4	—	4	6	11	1	18	23
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>126</i>	<i>29</i>	<i>203</i>	<i>692</i>
Total recurrent expenditure	55	483	539	316	855	135	183	58	376	1,231
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	340	882	n.a.	n.a.	n.a.	416	1,298

Notes: see Page 92

Table B17: 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	82	267	77	23	40	139	407
Public non-psychiatric hospitals	15	156	171	72	243	6	—	25	31	274
Private hospitals	11	4	14	—	14	71	23	14	108	122
Public psychiatric hospitals	—	—	—	10	10	—	—	—	—	10
High care residential aged	13	77	90	4	93	—	5	—	5	98
Ambulance	1	1	2	12	13	—	7	—	8	21
<i>Total institutional</i>	40	237	277	97	374	77	35	40	152	526
Medical services	15	145	160	—	160	5	24	14	43	204
Other professional services	3	4	7	—	7	5	17	8	30	36
Total pharmaceuticals	8	71	79	—	79	1	69	1	72	151
Benefit paid pharmaceuticals	8	71	79	—	79	—	16	—	16	95
All other pharmaceuticals	—	—	—	—	—	1	54	1	56	56
Aids and appliances	—	5	5	—	5	6	13	1	20	24
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>	27	268	295	157	452	44	143	26	213	665
Total recurrent expenditure	67	506	572	254	826	121	178	66	365	1,192
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	508	574	276	850	n.a.	n.a.	n.a.	388	1,238

Notes: see Page 92

Table B18: 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	177	117	295	66	24	33	123	418
Public non-psychiatric hospitals	13	138	151	118	268	5	–3	19	20	289
Private hospitals	15	12	26	—	26	61	27	14	103	129
Public psychiatric hospitals	—	—	—	—	—	—	—	—	—	—
High care residential aged	11	79	90	1	91	—	23	—	23	114
Ambulance	—	—	—	16	16	—	9	1	10	26
<i>Total institutional</i>	38	229	268	134	402	67	56	34	156	558
Medical services	16	154	170	—	170	5	26	13	44	214
Other professional services	—	6	6	—	6	4	23	10	38	43
Total pharmaceuticals	9	78	86	—	86	1	73	—	75	161
Benefit paid pharmaceuticals	9	77	86	—	86	—	16	—	16	102
All other pharmaceuticals	—	—	—	—	—	1	57	—	58	58
Aids and appliances	—	3	3	—	3	5	8	1	15	18
Other non-institutional services	—	42	42	136	178	25	28	—	53	231
Community and public health ^(c)	—	26	26	123	149	—	2	—	2	151
Dental services	—	2	2	10	13	12	26	—	38	50
Administration	—	13	13	3	16	14	—	—	14	30
Research	—	5	5	1	7	—	—	1	1	8
<i>Total non-institutional</i>	25	288	313	137	450	41	158	27	226	676
Total recurrent expenditure	63	518	581	271	852	108	214	61	382	1,234
Capital expenditure	—	2	2	21	22	n.a.	n.a.	n.a.	^(d) 16	39
Capital consumption	—	1	1	15	16	..	..	..	^(e) ..	16
Total health expenditure	63	520	583	308	890	n.a.	n.a.	n.a.	399	1,289

Notes: see Page 92

**Table B19: 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 care 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	—	22	11	33	127
Other professional services	—	3	3	—	3	—	19	5	24	27
Total pharmaceuticals	2	30	32	—	32	—	20	1	20	52
Benefit paid pharmaceuticals	2	30	32	—	32	—	9	—	9	41
All other pharmaceuticals	—	—	—	—	—	—	11	1	12	12
Aids and appliances	—	2	2	—	2	—	12	1	13	15
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	—	109	22	131	400
Total recurrent expenditure	33	269	302	199	501	37	120	41	198	699
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.	198	739

Notes: see Page 92

**Table B20: 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	136	238	37	18	24	78	316
Public non-psychiatric hospitals	4	93	97	136	233	9	-1	15	23	256
Private hospitals	4	—	4	—	4	28	18	9	55	60
High care residential aged care	2	23	24	—	24	—	5	—	5	30
Ambulance	—	—	—	4	4	—	3	—	3	7
<i>Total institutional</i>	<i>10</i>	<i>116</i>	<i>126</i>	<i>140</i>	<i>266</i>	<i>37</i>	<i>26</i>	<i>24</i>	<i>87</i>	<i>353</i>
Medical services	8	90	98	—	98	—	23	12	36	133
Other professional services	—	2	3	—	3	—	19	7	26	28
Total pharmaceuticals	2	31	34	—	34	—	23	1	23	57
Benefit paid pharmaceuticals	2	31	34	—	34	—	9	—	9	43
All other pharmaceuticals	—	—	—	—	—	—	13	1	14	14
Aids and appliances	—	3	3	—	3	—	5	1	5	8
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>108</i>	<i>25</i>	<i>133</i>	<i>378</i>
Total recurrent expenditure	21	310	330	181	511	37	134	49	220	731
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	337	357	208	566	n.a.	n.a.	n.a.	229	794

Notes: see Page 92

**Table B21: 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	84	99	163	262	30	22	31	84	346
Public non-psychiatric hospitals	7	80	87	163	250	5	–3	20	23	273
Private hospitals	7	5	12	—	12	25	24	11	60	72
High care residential aged care	5	25	30	—	30	—	7	—	7	37
Ambulance	—	—	—	4	4	—	4	1	5	8
<i>Total institutional</i>	<i>19</i>	<i>109</i>	<i>128</i>	<i>167</i>	<i>295</i>	<i>30</i>	<i>33</i>	<i>32</i>	<i>96</i>	<i>391</i>
Medical services	7	94	101	—	101	—	25	11	36	137
Other professional services	—	3	3	—	3	—	28	10	38	41
Total pharmaceuticals	—	35	35	—	35	—	35	—	35	71
Benefit paid pharmaceuticals	—	35	35	—	35	—	7	—	7	43
All other pharmaceuticals	—	—	—	—	—	—	28	—	28	28
Aids and appliances	—	1	1	—	1	—	4	1	5	7
Other non-institutional services	—	14	14	44	58	—	40	—	41	99
Community and public health ^(c)	—	11	11	26	38	—	1	—	1	38
Dental services	—	—	—	6	6	—	40	—	40	46
Administration	—	2	2	12	15	—	—	—	—	15
Research	—	42	42	6	48	—	—	6	6	54
<i>Total non-institutional</i>	<i>7</i>	<i>189</i>	<i>197</i>	<i>50</i>	<i>247</i>	<i>—</i>	<i>133</i>	<i>28</i>	<i>161</i>	<i>408</i>
Total recurrent expenditure	27	299	325	217	542	30	166	61	257	799
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	331	358	247	605	n.a.	n.a.	n.a.	257	862

Notes: see Page 92

Table B22: Total health expenditure, current prices, Northern 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	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 care 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	6	4	11	44
Other professional services	—	1	1	—	1	1	5	2	8	9
Total pharmaceuticals	—	9	9	—	9	—	29	—	30	38
Benefit paid pharmaceuticals	—	9	9	—	9	—	3	—	3	11
All other pharmaceuticals	—	—	—	—	—	—	27	—	27	27
Aids and appliances	—	1	1	—	1	1	2	2	4	6
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>219</i>	<i>8</i>	<i>48</i>	<i>10</i>	<i>66</i>	<i>285</i>
Total recurrent expenditure	2	162	163	205	368	21	56	23	100	468
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.	100	489

Notes: see Page 92

Table B23: 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	56	149	12	1	19	32	181
Public non-psychiatric hospitals	—	91	91	56	147	1	—	16	16	164
Private hospitals	1	1	2	—	2	11	1	4	16	17
High care 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>56</i>	<i>159</i>	<i>12</i>	<i>4</i>	<i>20</i>	<i>36</i>	<i>195</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	—	34	—	35	46
Benefit paid pharmaceuticals	—	9	9	—	9	—	3	—	3	12
All other pharmaceuticals	—	—	—	2	2	—	31	—	32	34
Aids and appliances	—	2	2	—	2	1	8	2	11	12
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>60</i>	<i>12</i>	<i>79</i>	<i>341</i>
Total recurrent expenditure	1	196	197	224	421	19	64	32	115	536
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	234	432	n.a.	n.a.	n.a.	116	549

Notes: see Page 92

Table B24: 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	71	159	11	1	22	34	193
Public non-psychiatric hospitals	—	86	86	71	156	1	1	18	20	176
Private hospitals	1	2	3	—	3	11	—	4	14	17
High care 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>87</i>	<i>188</i>	<i>11</i>	<i>4</i>	<i>23</i>	<i>38</i>	<i>226</i>
Medical services	1	36	36	—	36	1	7	5	13	49
Other professional services	—	2	2	—	2	1	11	3	15	16
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	4	1	6	7
Other non-institutional services	—	46	46	113	159	5	14	14	33	192
Community and public health ^(c)	—	42	42	102	144	—	—	—	—	145
Dental services	—	—	—	6	6	2	14	—	16	22
Administration	—	3	3	5	9	3	—	14	17	25
Research	—	3	3	2	6	—	—	2	2	8
<i>Total non-institutional</i>	<i>1</i>	<i>98</i>	<i>99</i>	<i>116</i>	<i>215</i>	<i>8</i>	<i>50</i>	<i>25</i>	<i>82</i>	<i>297</i>
Total recurrent expenditure	2	198	200	203	403	19	54	47	120	523
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	199	201	221	422	n.a.	n.a.	n.a.	120	542

Notes: see Page 92

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 services. It does not show gross outlays on health services by the different service provider sectors.
- (b) 'Other' includes expenditure on health 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 outlays 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.

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