

Australian national health and welfare accounts

Concepts and data sources

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

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April 2003

Australian Institute of Health and Welfare
Canberra

AIHW cat. no. HWE 23

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ISBN 1 74024 264 5

Suggested citation

Australian Institute of Health and Welfare (AIHW) 2003. Australian national health and welfare accounts: concepts and data sources. Canberra. AIHW.

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Published by Australian Institute of Health and Welfare

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Acknowledgments

The Australian Institute of Health and Welfare wishes to acknowledge the valuable work of the following contributors without whose input this publication would not have been possible:

Dr Peter Warr
Australian Bureau of Statistics
Dr John Deeble
Mr John Goss
Ms Maneerat Pinyopusarek
Ms Lindy Ingham
Ms Lucy Tylman and
Mr Tony Hynes.

Introduction

The aim of this paper is to outline, in broad terms:

- the concepts that underpin the compilation of national data on expenditure on health and welfare services in Australia, and
- the sources of data that are used in compiling those estimates.

In doing this, the Australian Institute of Health and Welfare (AIHW) is seeking to improve the general level of understanding of the different data sources used in deriving our estimates of expenditure on health and welfare services. This, in turn, could contribute to improvements in the timeliness, accuracy and relevance of the data.

In that context, we would welcome any comments about the concepts and data sources outlined in this paper. We would also welcome suggestions for improving the way sources are identified and described. These could be directed to:

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Background

The provision and funding of health and welfare services in Australia involves a complex maze of interactions between:

- the Commonwealth Government
- state and territory governments
- local governments
- non-government service providers
- health insurers
- individuals, and
- other non-government funding organisations.

The policies and processes adopted by each of these players and the way they interact have implications for the ability of health and welfare services providers to efficiently deliver the types of goods and services that make up Australia's health and welfare services systems. This, in turn, has impacts on Australia's level of economic activity.

It is important, therefore, that policy analysts and developers have an appreciation of the costs associated with providing the various goods and services that make up the health and welfare services systems.

As is the case with most advanced economies, information about expenditure on health and welfare services has, for many years, been identified in Australia's estimates of national expenditure. That information is compiled, in Australia's case, by the Australian Bureau of Statistics (ABS), using the System of National Accounts (SNA) framework.

As the complexity of the interactions within Australia's health delivery and financing systems increased in the early 1970s, it became apparent that the scope of the information collected under the SNA no longer gave the degree of precision about the way health care was financed that was needed to support the development of national and regional health policies. It was then decided that specific estimates of expenditure on health needed to be developed that would identify:

- overall level of expenditure on health services;
- expenditure on particular types of health services; and
- how those goods and services were funded.

The same background applies in respect of the development of estimates of expenditure on welfare services. Specific estimates of expenditure on welfare services commenced in Australia in the mid-1990s.

The AIHW has responsibility for producing estimates of expenditure on health and welfare services in Australia. While it does this on an annual basis, the analyses usually relate to periods more than 12 months prior to publication. This is largely the consequence of the range of data sources that is used in compiling and verifying the estimates.

Synopsis

The first part of the paper is a brief history of the development of health and welfare services expenditure data since the early 1970s. The second part examines the concepts that underpin the collection of national expenditure data and possible approaches to collecting and presenting health and welfare expenditure data. In particular, it analyses the SNA and examines the concept of satellite accounts, within the context of the SNA. It also looks at the way Australia currently presents its estimates of expenditure on health and welfare services using classification systems developed by the Organisation for Economic Cooperation and Development (OECD). The paper then provides an outline of data sources used in the estimation of expenditure on health and welfare services in Australia.