

focus on Indigenous health expenditure

Expenditures on health for Aboriginal and Torres Strait Islander peoples 2004–05

- ▶ This statistical snapshot is taken from the recent publication *Expenditures on health for Aboriginal and Torres Strait Islander peoples 2004–05* which was the fourth in this series of publications. More detailed information is available from <<http://www.aihw.gov.au/expenditure/indigenous.cfm>>.

Overall and per person health expenditures

- ▶ Between 1995–96 and 2004–05 there has been little change in the per person health expenditure ratio for Indigenous compared to non-Indigenous Australians.
- ▶ In 2004–05, \$1.17 per person was spent on Aboriginal and Torres Strait Islander health for every \$1.00 spent on the health of non-Indigenous Australians.
- ▶ Average total health expenditure per Aboriginal and Torres Strait Islander was \$4,718 compared with \$4,019 per person estimated for non-Indigenous Australians.
- ▶ Total health expenditure for Aboriginal and Torres Strait Islander peoples was estimated at \$2,304 million in 2004–05, or 2.8% of national expenditure on health services, the same proportion as for 2001–02.

Public versus private services

- ▶ Aboriginal and Torres Strait Islander people are high users of public hospital and community health services, and comparatively low users of medical, pharmaceutical, dental and other health services which are mostly privately provided.
- ▶ Sixty-eight per cent of total health spending for Aboriginal and Torres Strait Islander peoples was for public hospital services (46%) and government community health services (22%). Less than one-third of health spending for non-Indigenous Australians was for these services (27% and 4% respectively).
- ▶ Medicare benefits paid and PBS expenditure per Indigenous person were estimated to be around half that of the non-Indigenous average (45% and 51%

respectively). Similarly, expenditure on dental and other health practitioners by Indigenous people was 40% of the non-Indigenous average.

Funding sources

- ▶ In 2004–05 the Australian Government provided 45% of total funding for health expenditure for Aboriginal and Torres Strait Islander peoples. The state and territory governments provided 48%—the remaining 8% came from private sources, including out-of-pocket payments. For non-Indigenous people, the Australian Government funded 48% of total health expenditure, the state and territory governments funded 20% and 31% was from private sources.
- ▶ Total per person government-funded expenditure was much higher (58% higher) for Aboriginal and Torres Strait Islander peoples than for non-Indigenous people—\$4,356 and \$2,763 respectively.
- ▶ Interestingly, government health expenditure on Indigenous people is about the same as government health expenditure on non-Indigenous people who have low income levels.

Growth in expenditure

- ▶ In the six years to 2004–05, expenditure by governments for Aboriginal and Torres Strait Islander peoples rose by 23% in real terms (after adjusting for inflation).
- ▶ State and territory governments contributed 56% (\$447 million) of the growth in expenditure and the Australian Government contributed 44% (\$352 million).
- ▶ Public hospitals were the largest single source of increase—\$302 million.
- ▶ The largest proportional growth was in Australian Government grants to the Aboriginal Community Controlled Health Organisations, which grew by 83% over the six years, or, after adjusting for inflation, from \$320 per person (at 2004–05 prices) in 1998–99 to \$426 per person in 2004–05. ■