

# **Health expenditure Australia 2003–04**

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# Contents

List of tables.....	vii
List of figures.....	x
List of boxes.....	xi
Preface.....	xiii
Abbreviations and symbols .....	xiv
1 Background and summary .....	1
1.1 Background.....	1
1.2 The structure of the health sector and its flow of funds.....	1
1.3 Summary of findings.....	4
1.4 Revisions to ABS estimates.....	4
2 Total health expenditure.....	6
2.1 Health expenditure and the general level of economic activity.....	7
2.2 Health expenditure per person .....	11
2.3 Total health expenditure, by state and territory.....	12
2.4 Sources of growth in real health expenditure.....	16
2.5 Sources of nominal growth in health expenditure.....	16
3 Funding of health expenditure in Australia .....	18
3.1 Broad trends.....	18
Total recurrent funding.....	20
3.2 Government sources of funds .....	25
3.3 Non-government sources of funds.....	31
3.4 Aboriginal and Torres Strait Islander funding, 2001–02 .....	47
4 Health expenditure and funding, by area of health expenditure .....	49
4.1 Recurrent expenditure on health goods and services.....	49
Institutional health services.....	50
Non-institutional health services.....	57
4.2 Capital formation .....	65
4.3 Capital consumption by governments.....	68
5 International comparisons.....	70
5.1 Health expenditure in OECD countries.....	70
5.2 Health expenditure in the Asia–Pacific region .....	74
6 Technical notes.....	76
6.1 General.....	76
Health Expenditure Advisory Committee .....	76
6.2 Definition of health expenditure.....	76

6.3 Data and methods used to produce estimates .....	80
General.....	80
State and territory expenditure tables.....	80
Expenditure by the Australian Government.....	80
Expenditure by state, territory and local governments .....	81
Expenditure by the non-government sector.....	82
Blank cells in expenditure matrices.....	83
Population .....	83
6.4 International comparisons .....	83
6.5 Preliminary estimates .....	84
6.6 Revisions of definitions and estimates.....	85
Definitions.....	85
Revision of estimates .....	86
Appendix tables.....	90
Appendix A: National health expenditure matrices, 2000–01 to 2003–04.....	92
Appendix B: State and territory health expenditure matrices, 2000–01 to 2002–03.....	100
Appendix C: Proposed Australian System of Health Accounts .....	126
Appendix D: Price indexes and deflation .....	130
Price indexes.....	130
Deflation and constant price expenditure aggregates.....	130
Appendix E: Capital in the Australian health sector.....	133
Appendix F: Cross-border flows and government contracting of private hospital services .....	134
Cross-border flows .....	134
State government contracting of private hospital services.....	134
Appendix G: Expenditure on personal health by Burden of Disease category by age and sex.....	137
Glossary .....	142
References.....	147

# List of tables

Table 1:	Total health expenditure, current and constant prices, and annual growth rates, 1993–94 to 2003–04.....	6
Table 2:	Total health expenditure and GDP, current prices, and annual growth rates, 1993–94 to 2003–04.....	9
Table 3:	Total health expenditure and GDP, constant prices, and annual growth rates, 1993–94 to 2003–04.....	10
Table 4:	Annual rates of health inflation, 1993–94 to 2003–04.....	10
Table 5:	Average health expenditure per person, current and constant prices, and annual growth rates, 1993–94 to 2003–04.....	12
Table 6:	Total health expenditure, current prices, by state and territory, 1996–97 to 2003–04.....	13
Table 7:	Total health expenditure, constant prices, by state and territory, 1996–97 to 2003–04.....	13
Table 8:	Average health expenditure per person, current prices, by state and territory, 1996–97 to 2003–04.....	13
Table 9:	Annual growth in health expenditure per person, constant prices, all sources of funding, by state and territory, 1996–97 to 2003–04.....	14
Table 10:	Average annual growth in health expenditure, constant prices, by state and territory, by area of expenditure, 1996–97 to 2002–03.....	15
Table 11:	Total health expenditure, current prices, by broad source of funds, 1993–94 to 2003–04.....	18
Table 12:	Total health expenditure, current prices, by broad source of funds, as a proportion of total health expenditure, 1993–94 to 2003–04.....	19
Table 13:	Total health expenditure, by broad source of funds, as a proportion of GDP, 1993–94 to 2003–04.....	19
Table 14:	Government funding of recurrent health expenditure, constant prices, by area of expenditure, and annual growth rates, 1993–94 to 2003–04.....	22
Table 15:	Non-government funding of recurrent health expenditure, constant prices, by area of expenditure, and annual growth rates, 1993–94 to 2003–04.....	23
Table 16:	Total funding of recurrent health expenditure, constant prices, by area of expenditure, and annual growth rates, 1993–94 to 2003–04.....	24
Table 17:	Total health expenditure, constant prices, and annual growth rates, by broad source of funds, 1993–94 to 2003–04.....	26
Table 18:	Total health expenditure by the Australian Government, current prices, by type of expenditure, 1993–94 to 2003–04.....	28

Table 19:	Non-government sector funding of total health expenditure, current prices, by source of funds, 1993–94 to 2003–04 .....	33
Table 20:	Non-government sector funding of total health expenditure, by source of funds, constant prices, and annual growth rates, 1993–94 to 2003–04.....	35
Table 21:	Average out-of-pocket recurrent health expenditure per person, constant prices, and annual growth rates, by area of expenditure, 1993–94 to 2003–04 .....	39
Table 22:	Expenditure on health goods and services funded through health insurance funds, current prices, 2001–02 to 2003–04 .....	41
Table 23:	Health insurance funds reported expenses and revenues, current prices, 2001–02 to 2003–04.....	42
Table 24:	Expenditure on health goods and services and administration through private health insurance funds, constant prices, and annual growth rates, 1993–94 to 2003–04.....	43
Table 25:	Average expenditure on health insurance funds per person covered, constant prices, by state and territory, 1996–97 to 2003–04.....	44
Table 26:	Expenditure by injury compensation insurers, constant prices, and annual growth rates, 1993–94 to 2003–04 .....	47
Table 27:	Recurrent expenditure on health for Aboriginal and Torres Strait Islander peoples, per person, current prices, by service type and broad sources of funding, 2001–02.....	48
Table 28:	Recurrent expenditure on hospitals, constant prices, by broad type of hospital, and annual growth rates, 1993–94 to 2003–04.....	51
Table 29:	Funding of general hospitals, current prices, by broad source of funds, 1993–94 to 2003–04 .....	52
Table 30:	Funding of public (non-psychiatric) hospitals, current prices, by broad source of funds, 1993–94 to 2003–04.....	53
Table 31:	Recurrent funding of public (non-psychiatric) hospitals, constant prices, by source of funds, and annual growth rates, 1993–94 to 2003–04 .....	54
Table 32:	Recurrent funding of medical services, constant prices, by source of funds, and annual growth rates, 1993–94 to 2003–04.....	58
Table 33:	Recurrent expenditure on benefit-paid pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1993–94 to 2003–04 .....	61
Table 34:	Recurrent funding of other pharmaceuticals, constant prices, by source of funds, and annual growth rates, 1993–94 to 2003–04 .....	62
Table 35:	Recurrent funding for health research, constant prices, and annual growth rates, by broad source of funds, 1993–94 to 2003–04.....	65
Table 36:	Outlays on capital, constant prices, by source of funds, 1993–94 to 2003–04 .....	66



Table 37:	Estimated capital consumption by governments, current and constant prices, and annual growth rates, 1993–94 to 2003–04 .....	68
Table 38:	Government sector shares of capital consumption expenditure by area of expenditure and total capital consumption expenditure, current prices, 2001–02 and 2002–03 .....	69
Table 39:	International comparison of health expenditure as a proportion of GDP and per person, OECD countries, 1993 to 2003.....	71
Table 40:	Government health expenditure as a proportion of total health expenditure, OECD countries, 1993 to 2003.....	72
Table 41:	Out-of-pocket health expenditure per person, and as shares of total health expenditure, non-government health expenditure and household final consumption expenditure, OECD countries, 1993 and 2003 .....	73
Table 42:	Health expenditure comparison for selected Asia–Pacific countries .....	75
Table 43:	Areas of health expenditure used in this report.....	78
Table 44:	Comparison of previously published estimates of total health expenditure, current prices, 1997–98 to 2001–02, with current estimates.....	87

# List of figures

Figure 1:	The structure of the Australian health care system and its major flows of funds .....	3
Figure 2:	Total health expenditure, constant prices, 1993–94 to 2003–04 .....	7
Figure 3:	Health expenditure and GDP, constant prices, 1993–94 to 2003–04 .....	8
Figure 4:	Growth in total recurrent health expenditure, constant prices, by area of expenditure, 1993–94 to 2002–03.....	16
Figure 5:	Estimated total health expenditure, current prices, by source of funds, 2003–04 .....	25
Figure 6:	Government sector financing of health expenditure, current prices, by source and type of funding, 2003–04.....	27
Figure 7:	General recurrent outlays on health goods and services by the Australian Government (excluding DVA), current prices, by type of funding, 2002–03.....	29
Figure 8:	Recurrent funding of health goods and services by state, territory and local governments’ own resources, by broad areas of expenditure, current prices, 2002–03 .....	31
Figure 9:	Estimated funding of health goods and services by non-government sources, current prices, 2003–04.....	32
Figure 10:	Non-government sector funding of total health expenditure, current prices, by source of funds, 1993–94 to 2003–04.....	34
Figure 11:	Recurrent expenditure by individuals, in current prices, by area of expenditure, 2003–04 .....	36
Figure 12:	Average annual growth in individuals’ funding of recurrent health expenditure, constant prices, by area of expenditure, 1997–98 to 2002–03 .....	37
Figure 13:	Recurrent funding of health goods and services through health insurance funds, by area of expenditure, current prices, 2003–04 .....	40
Figure 14:	Funding of health goods and services by private health insurance funds, constant prices, 1993–94 to 2003–04.....	45
Figure 15:	Out-of-pocket hospital expenditure, by sex, per person with private health insurance hospital cover, current prices, 2002–03 .....	46
Figure 16:	Recurrent expenditure on health goods and services, current prices, by broad area of expenditure, 2002–03.....	50
Figure 17:	Funding of public (non-psychiatric) hospitals, constant prices, by broad source of funds, 1993–94 to 2003–04.....	55
Figure 18:	Funding of private hospitals, current prices, by broad source of funds, 2002–03 .....	56

Figure 19: Recurrent expenditure on medical services, current prices, by source of funds, 2002–03 .....	57
Figure 20: Recurrent expenditure on PBS and RPBS items, current prices, 2002–03 .....	60
Figure 21: All other pharmaceuticals expenditure, by category, current prices, 2002–03 .....	63
Figure 22: Recurrent expenditure on health research, current prices, by broad source of funds, 2002–03.....	64
Figure 23: Outlays on capital, constant prices, by broad source of funds, 1993–94 to 2003–04.....	67

## List of boxes

Box 1: Australian Government–state/territory health funding agreement periods.....	53
Box 2: Periods equating to OECD year 2003.....	84



# Preface

In 2003–04, Australia's health expenditure totalled \$78.6 billion, representing 9.7% of gross domestic product (GDP). This compares with 8.3% of GDP in 1993–94. Given the continual calls for more resources across the different components of the health system, it is essential to understand what is currently spent if there is to be rational discussion about resource allocation.

Regular reporting of national health expenditure statistics is vital to understanding Australia's health system. Such statistics show the volume and proportion of economic resources allocated to the production and consumption of health goods and services, which in turn contribute to the health and wellbeing of the nation. Reporting of health expenditure involves estimates of the overall level of health expenditure as well as expenditure on the different components of the health care system. It also involves identification of the sources of funding for that expenditure.

*Health Expenditure Australia 2003–04* continues the Australian Institute of Health and Welfare's series of reports on national health expenditures, which have been produced annually since 1986. This publication presents preliminary estimates for Australia for the year 2003–04, and time series data covering the period from 1993–94. It also provides detailed matrices of health expenditure at the national level for the years 2000–01 to 2003–04 and for each of the states and territories for the years 2000–01 to 2002–03 only. All previously published and revised matrices are now available on the Institute's website (<http://www.aihw.gov.au/expenditure/health>).

As was the case in the 2002–03 publication, there have been some revisions to previously published estimates of health expenditure, due to receipt of additional or revised data. Comparisons over time should, therefore, be based on information provided in this publication, rather than by reference to earlier editions. In particular, users should exercise caution when using the preliminary estimates as they are subject to change when more complete data are received from data suppliers.

Richard Madden  
Director  
Australian Institute of Health and Welfare

# Abbreviations and symbols

ABS	Australian Bureau of Statistics
AHCA	Australian Health Care Agreement
AIHW	Australian Institute of Health and Welfare
APNHAN	Asia–Pacific National Health Accounts Network
CPI	Consumer price index
DoHA	Australian Government Department of Health and Ageing
DVA	Australian Government Department of Veterans’ Affairs
FCE	Final consumption expenditure
GDP	Gross domestic product
HEAC	Health Expenditure Advisory Committee
HFCE	Household final consumption expenditure
IPD	Implicit price deflator
NHA	National Health Accounts
OECD	Organisation for Economic Co-operation and Development
PBS	Pharmaceutical Benefits Scheme
PHIIS	Private Health Insurance Incentives Subsidy
PPP	Purchasing power parity
RPBS	Repatriation Pharmaceutical Benefits Scheme
SHA	System of Health Accounts
SPPs	Specific-purpose payments for health under Section 96 of the Australian Constitution
WHO	World Health Organization
n.a.	not available
..	not applicable
nec	not elsewhere classified
—	nil or rounded down to zero