



**Australian Government**

**Australian Institute of  
Health and Welfare**

# **Health expenditure Australia 2012–13: analysis by sector**

HEALTH AND WELFARE EXPENDITURE SERIES NO. 53





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Australian Institute of  
Health and Welfare

*Authoritative information and statistics  
to promote better health and wellbeing*

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Number 53

# **Health expenditure Australia 2012–13: analysis by sector**

Australian Institute of Health and Welfare  
Canberra

Cat. no. HWE 62

**The Australian Institute of Health and Welfare is a major national agency which provides reliable, regular and relevant information and statistics on Australia's health and welfare. The Institute's mission is authoritative information and statistics to promote better health and wellbeing.**

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Janice Miller, Dian Xu, Rebecca Bennetts, Adam Majchrzak-Smith and Adrian Webster collected and analysed the data and wrote this publication.

# Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
DVA	Department of Veterans' Affairs
GFC	global financial crisis
IPD	implicit price deflator
MBS	Medicare Benefits Schedule
PBS	Pharmaceutical Benefits Scheme
PHIIS	Private Health Insurance Incentives Scheme
RPBS	Repatriation Pharmaceutical Benefits Scheme

# Symbols

—	nil or rounded to zero
..	not applicable
n.a.	not available
n.e.c.	not elsewhere classified
n.p.	not publishable because of small numbers, confidentiality or other concerns about the quality of the data

# Summary

This report extends the analysis presented in *Health expenditure Australia 2012–13* to further explore expenditure on particular categories of health goods and services, including *Hospitals*, *Primary health care*, *Other recurrent areas* of health expenditure and *Capital expenditure*.

In 2012–13, \$55.9 billion was spent on *Hospitals* in Australia, \$52.9 billion on *Primary health care* and \$29.9 billion on *Other recurrent areas* of health spending. *Capital expenditure* accounted for a further \$8.6 billion.

All funders increased their expenditure on *Hospitals* between 2002–03 and 2012–13; however, growth in state and territory government funding, at \$10.6 billion (a 78.6% increase), was almost double the growth of Australian Government expenditure (\$5.4 billion or 37.2% growth). Non-government expenditure grew by \$5.6 billion (88.6%).

Over the decade, total spending on *Primary health care* grew from \$32.7 billion to \$52.9 billion. *Primary health care* spending is shared relatively evenly between Australian Government (about 43%) and non-government sources (about 41%).

In 2012–13, the Australian Government accounted for \$17.9 billion, or nearly 60%, of the total recurrent expenditure in *Other recurrent areas* of health care. Individuals provided the next largest source of funds, with an expenditure of \$5.4 billion in 2012–13.

In the past 5 years, from 2008–09 to 2012–13, the share of recurrent expenditure on *Primary health care* has increased slightly from 37.1% to 38.1%, whereas expenditure on *Other recurrent areas* has declined marginally from 22.2% to 21.5%. There has been no clear trend in the *Hospitals* proportion over this time, beginning at 40.5% in 2008–09 and ending at 40.3% in 2012–13.

The ratio of Australian Government expenditure on health to tax revenue was 24.8% in 2012–13, down from 26.9% in 2011–12. The ratio of state and territory government expenditure to tax revenue rose from 17.7% in 2002–03 to 24.5% in 2012–13. The ratio of non-government health expenditure to individual net worth varied throughout the decade, beginning the period at 0.61% in 2002–03 and ending the period at a decade high of 0.66% in 2012–13.



# 1 Introduction

This report has been produced as a companion to *Health expenditure Australia 2012–13* (AIHW 2014). *Health expenditure Australia 2012–13* focused on a national overview of health expenditure trends, whereas this report explores expenditure on specific areas of health: *Hospitals, Primary health care, Other recurrent areas* of health expenditure and *Capital expenditure* (see Box 1.1).

## Box 1.1: Broad areas of health expenditure

### Hospitals

*Hospitals* expenditure includes recurrent spending (see Glossary) on health goods and services provided by public and private hospitals. It includes services provided to a patient who is receiving admitted patient services or non-admitted patient services in a hospital, but *excludes* dental services, community health services, patient transport services, public health activities and health research undertaken within the hospital. It can include services provided off-site, such as hospital-in-the-home, dialysis or other services.

### Primary health care

*Primary health care* expenditure includes recurrent expenditure on health goods and services, such as medical services, dental services, other health practitioner services, pharmaceuticals and community and public health services. Primary health care services are delivered in numerous settings, such as general practices, community health centres, allied health practices (for example, physiotherapy, dietetic and chiropractic practices, tele-health) and under numerous funding arrangements.

### Other recurrent areas

*Other recurrent areas* of health expenditure includes recurrent expenditure on health goods and services, such as medical specialists services (those non-hospital medical services that have not been classified as primary health care), health research, administration, patient transport services and medical aids and appliances.

### Capital expenditure

This term is used in this publication to refer to what the Australian Bureau of Statistics calls 'gross fixed capital formation'. *Capital expenditure* includes expenditure on fixed assets (for example, new buildings and equipment with a useful life that extends beyond 1 year). This does not include changes in inventories.

See Appendix B for more information on the allocation of medical services expenditure to *Primary health care* and *Other recurrent areas* of health expenditure.

In examining expenditure in these areas over the past decade (from 2002–03 to 2012–13), this report analyses trends in the source of funds, such as Australian Government, state and territory and local government and non-government sources. Non-government sources include private health insurers, out-of-pocket expenses paid by individuals and payments by injury compensation insurers.

The main data source for this report is the Australian Institute of Health and Welfare's (AIHW) health expenditure database, which is collated annually using data from a wide range of sources, including:

- the Australian Government from agencies such as the Department of Health, the Department of Veterans' Affairs (DVA) and the Australian Bureau of Statistics (ABS)
- State and territory governments through the Government Health Expenditure National Minimum Dataset
- the Private Health Insurance Administration Council
- other research collections.

The tables and figures in this publication provide expenditure primarily in constant prices. Constant price expenditure adjusts for the effects of inflation using either annually re-weighted chain price indexes produced by the ABS, or implicit price deflators (IPDs) produced by the ABS or AIHW. Because the reference year for both the chain price indexes and the IPDs is 2012–13, the constant price estimates indicate what expenditure would have been, had 2012–13 prices applied in all years.

The analysis includes both recurrent and capital expenditure, as appropriate. See Box 1.1 for definitions of each of the broad areas of health expenditure.

More information on the data sources used or the methods for developing the AIHW's health expenditure database can be found in *Health expenditure Australia 2012–13* or on the AIHW's website <[www.aihw.gov.au/expenditure/](http://www.aihw.gov.au/expenditure/)>. A data quality statement for the health expenditure database is available at:

<<http://meteor.aihw.gov.au/content/index.phtml/itemId/589638>>.

## 1.1 Structure of this report

Chapter 2 presents an overview of current trends in health spending, broken down into spending on *Hospitals*, *Primary health care*, *Other recurrent areas* of health spending and *Capital expenditure*.

Chapter 3 presents an analysis of *Hospitals* expenditure by source of funds for each state and territory.

Chapters 4 and 5 present similar analyses for *Primary health care* and all *Other recurrent areas* of health spending, respectively.

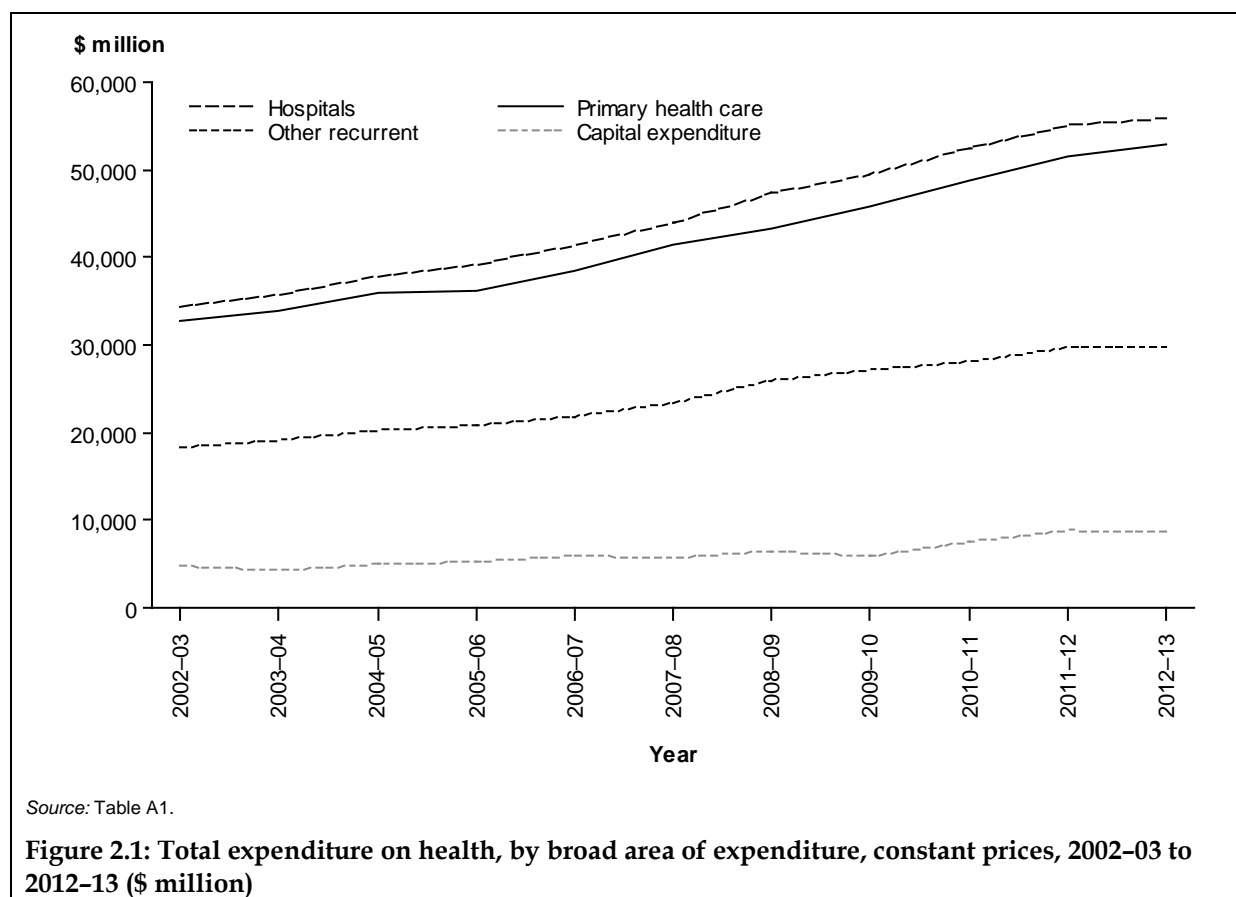
Appendix A presents all of the source tables for figures in this report.

Appendix B presents the technical notes for this report.

## 2 Overview of trends in health expenditure

### 2.1 National comparisons

Over the decade from 2002–03 to 2012–13, expenditure increased for all areas, however, the growth rates for each area have varied over time (Figure 2.1 and Table A1).

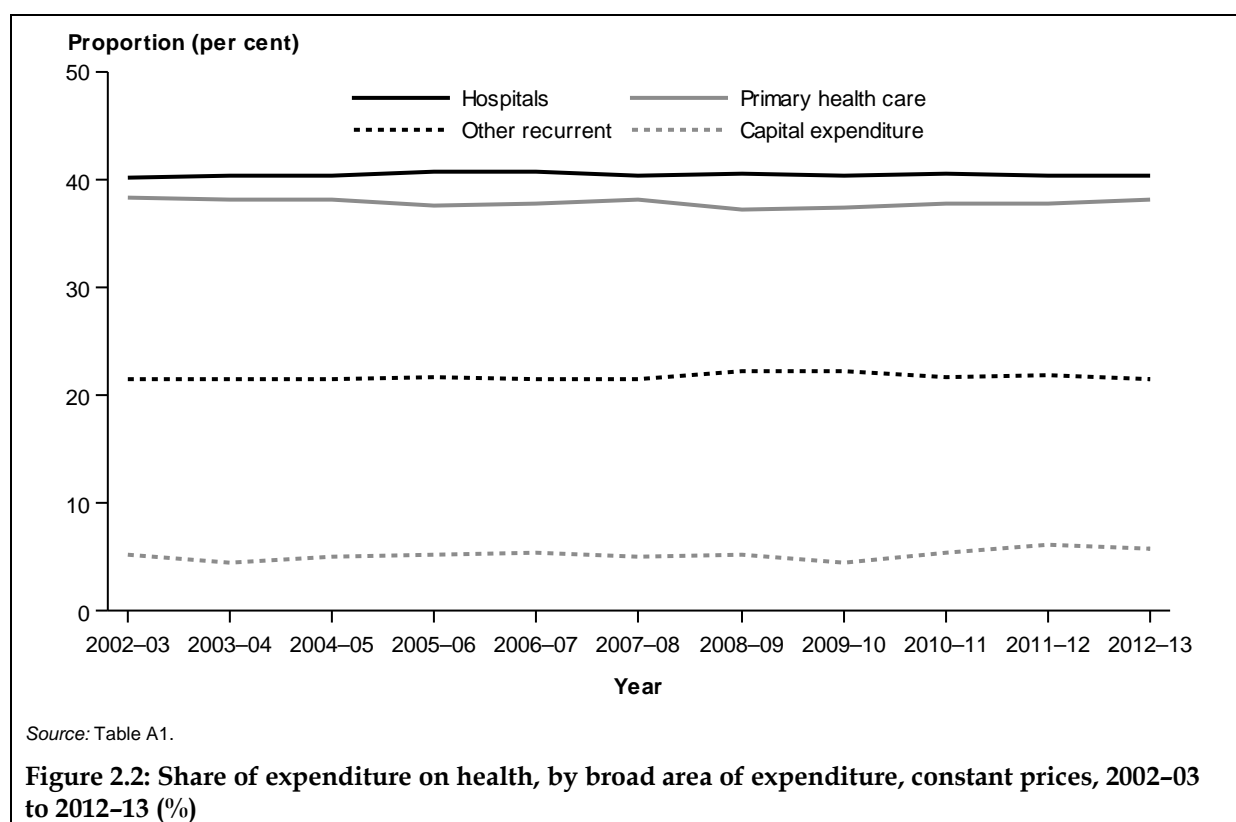


Between 2002–03 and 2008–09, the share of recurrent expenditure spent on *Primary health care* varied between 37.1% and 38.3% with no clear trend. The share in 2008–09 was the lowest in the decade. Since 2008–09, the *Primary health care* share has increased steadily from 37.1% to 38.1% in 2012–13.

The share of recurrent health expenditure spent on *Other recurrent areas* varied around 21.5% between 2002–03 and 2007–08. It rose to a high of 22.2% in 2008–09 but has since decreased back to 21.5% in 2012–13.

There has been no clear trend in the *Hospitals* proportion over the decade, with the share beginning at 40.2% in 2002–03 and ending the period at 40.3% in 2012–13 (Figure 2.2 and Table A1).

*Capital expenditure* at the beginning of the reporting period represented 5.3% of total expenditure. It was at its highest proportion, at 6.1%, in 2011–12 but dropped to 5.8% in 2012–13.



The remainder of this chapter examines, in turn, the funding of health care by the Australian Government, state and territory governments and the non-government sector.

The flow of money around the Australian health-care system is complex and is determined by the institutional frameworks in place, both government and non-government. Box 2.1 defines government and non-government funding for the Australian health-care system.

### Box 2.1: Government and non-government funding of health care

The **government sector** includes the Australian and state and territory governments and, in some jurisdictions, local government.

**Australian Government** funding comprises total expenditure incurred by the Australian Government on its own health programs, including funding provided to the states and territories by way of grants under section 96 of the Constitution. It also includes the 10–40% private health insurance premium rebates.

**State and territory government** funding comprises total expenditure incurred by the state and territory governments on their own health programs. It does not include the funding provided to the states and territories by the Australian Government or other sources.

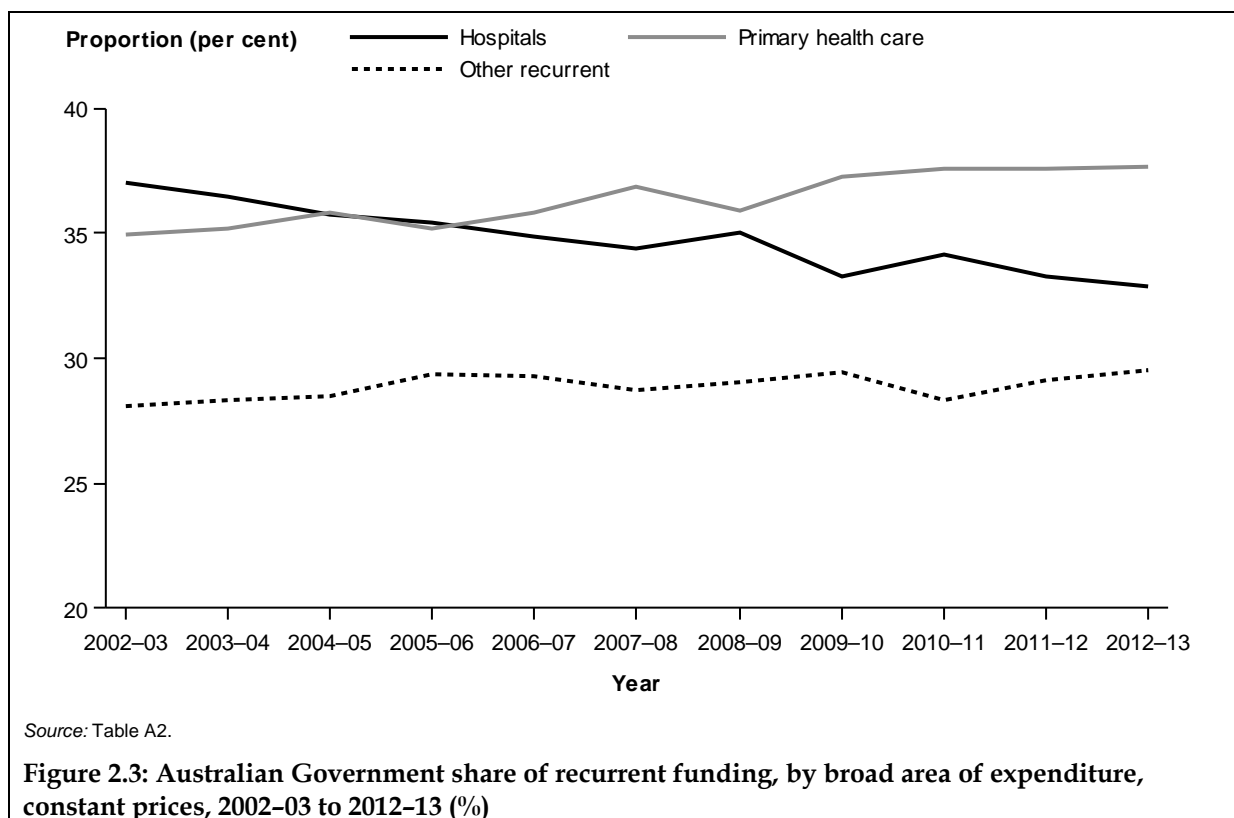
**Non-government** funding comprises funding from private health insurers, out-of-pocket expenses paid by individuals and payments by injury compensation insurers.

## Australian Government funding

A sustained decline in the proportion of Australian Government spending on hospitals continued in 2012–13, while the proportion dedicated to primary health care increased. In 2012–13, the Australian Government spent around \$1.15 on *Primary health care* for every dollar provided for *Hospitals* (Figure 2.3 and Table A2).

Between 2002–03 and 2011–12, the Australian Government spending on *Other recurrent areas* of health increased from \$11.0 billion to \$18.0 billion. During this time, the share of funding varied between 28.0% and 29.4%. In 2012–13, the funding dropped slightly to \$17.9 billion while the share of funds increased to 29.5%, up 0.4 of a percentage point from 2011–12 (Figure 2.3).

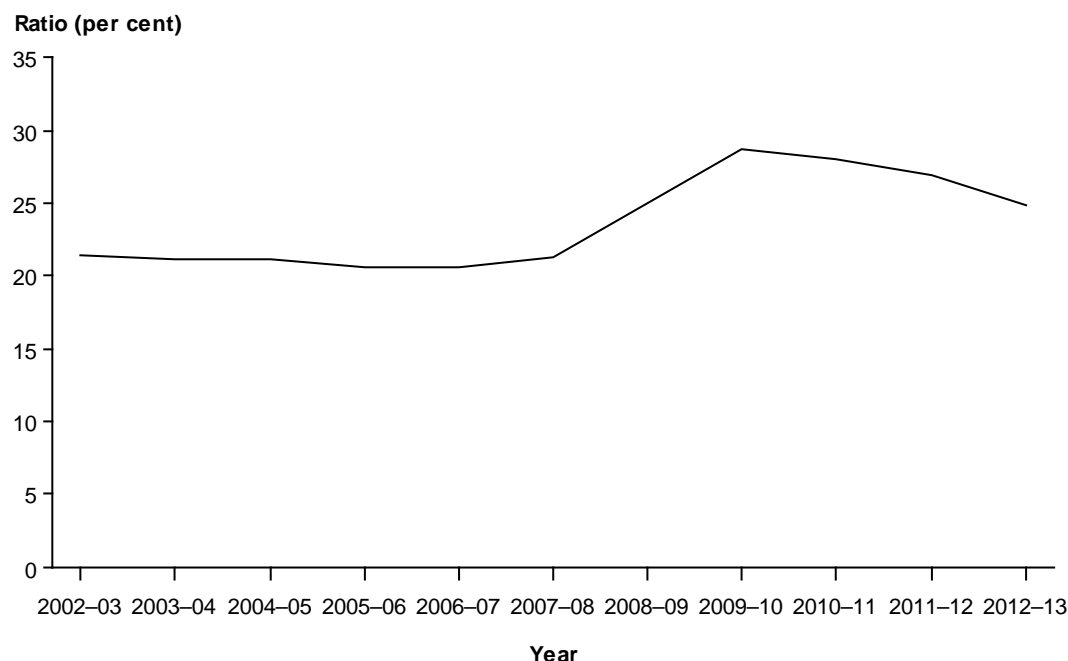
Capital expenditure by the Australian Government is generally very modest. It fell from \$217 million in 2011–12 to \$72 million in 2012–13; however, this was consistent with previous fluctuations (Table A2).



### Australian Government expenditure as a ratio of tax revenue

The ratio of Australian Government expenditure on health to tax revenue was 21.4% in 2002–03. This ratio declined to 21.2% in 2007–08 (Figure 2.4 and Table A3).

A drop in tax revenue following the global financial crisis (GFC) caused the ratio to increase to 25.0% in 2008–09 and to 28.6% in 2009–10. The ratio then declined in the next 3 years from 27.9% in 2010–11 to 26.9% in 2011–12, before finally moving to 24.8% in 2012–13 (Figure 2.4).



Source: Table A3.

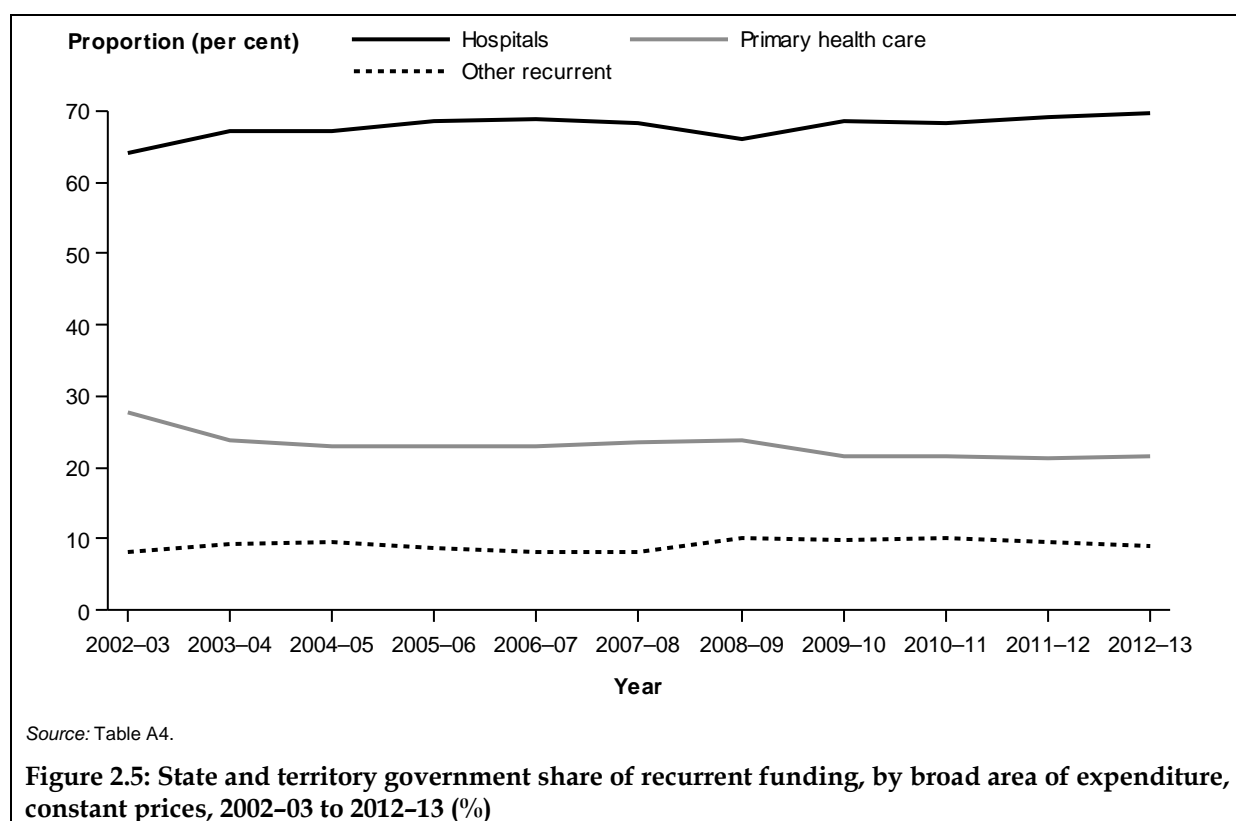
**Figure 2.4: The ratio of health expenditure to tax revenue for the Australian Government, current prices, 2002-03 to 2012-13 (%)**

## State and territory government expenditure

The state and territory governments generally increased the share of their recurrent expenditure allocated to hospitals over the period 2002-03 to 2012-13, while reducing the share spent on primary health care. The *Hospitals* share of recurrent spending increased from 64.1% to 69.5%, while the *Primary health care* share fell from 27.7% to 21.5% over this period (Table A4 and Figure 2.5).

The share allocated to *Other recurrent areas* varied far less than either *Hospitals* or *Primary health care* shares and the trend was less clear. It began the period at 8.0% and ended it at 8.9% but growth was not consistent over time (Table A4 and Figure 2.5).

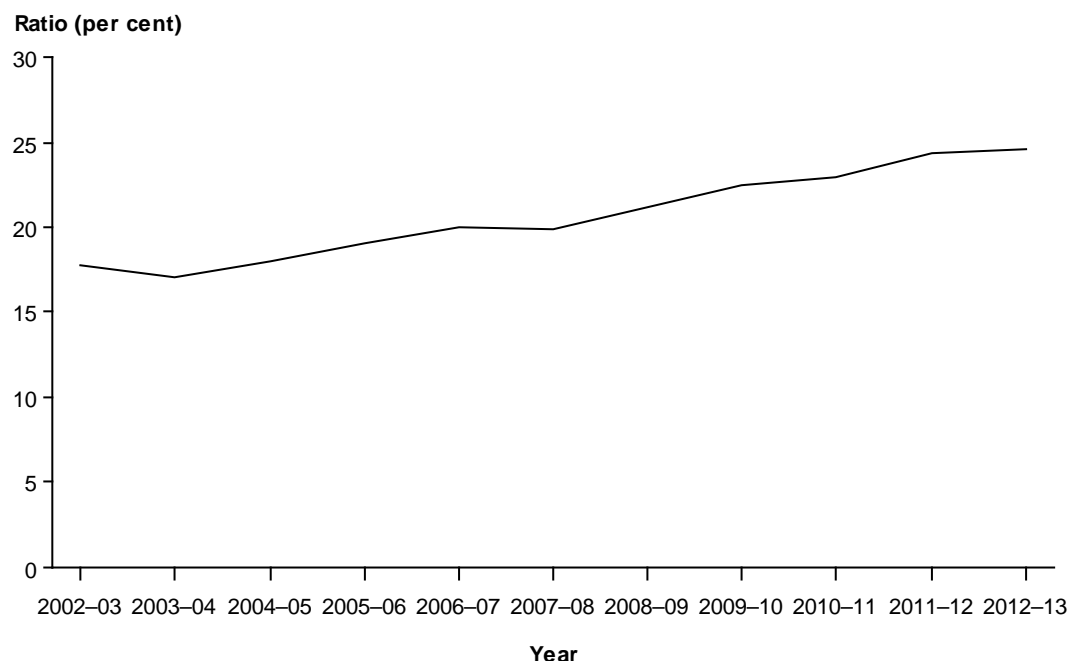
The share of total health expenditure spent on *Capital* remained relatively stable at around 8% between 2002-03 and 2009-10. It increased to 11.5% in 2010-11 and 13.0% in 2011-12. It ended the period at 12.8% in 2012-13 (Table A4).



### State and territory government expenditure as a ratio of tax revenue

The ratio of state and territory government expenditure to tax revenue varied across the decade. It fell from 17.7% in 2002-03 to 17.0% in 2003-04. From then on, it increased each year, to 20.0% in 2006-07 before declining slightly to 19.8% in 2007-08. From 2008-09 onwards, the ratio increased steadily, reaching a high of 24.5% at the end of the decade (Table A5 and Figure 2.6).

The GFC did not have the same impact on the revenue of the states and territories as it did on the revenue of the Australian Government. Thus, the increases in the expenditure to revenue ratio for the states and territories was driven more by increased expenditure than variation in revenues.



Source: Table A5.

**Figure 2.6: The ratio of health expenditure to tax revenue for state and territory governments, current prices, 2002-03 to 2012-13 (%)**

## Non-government funding

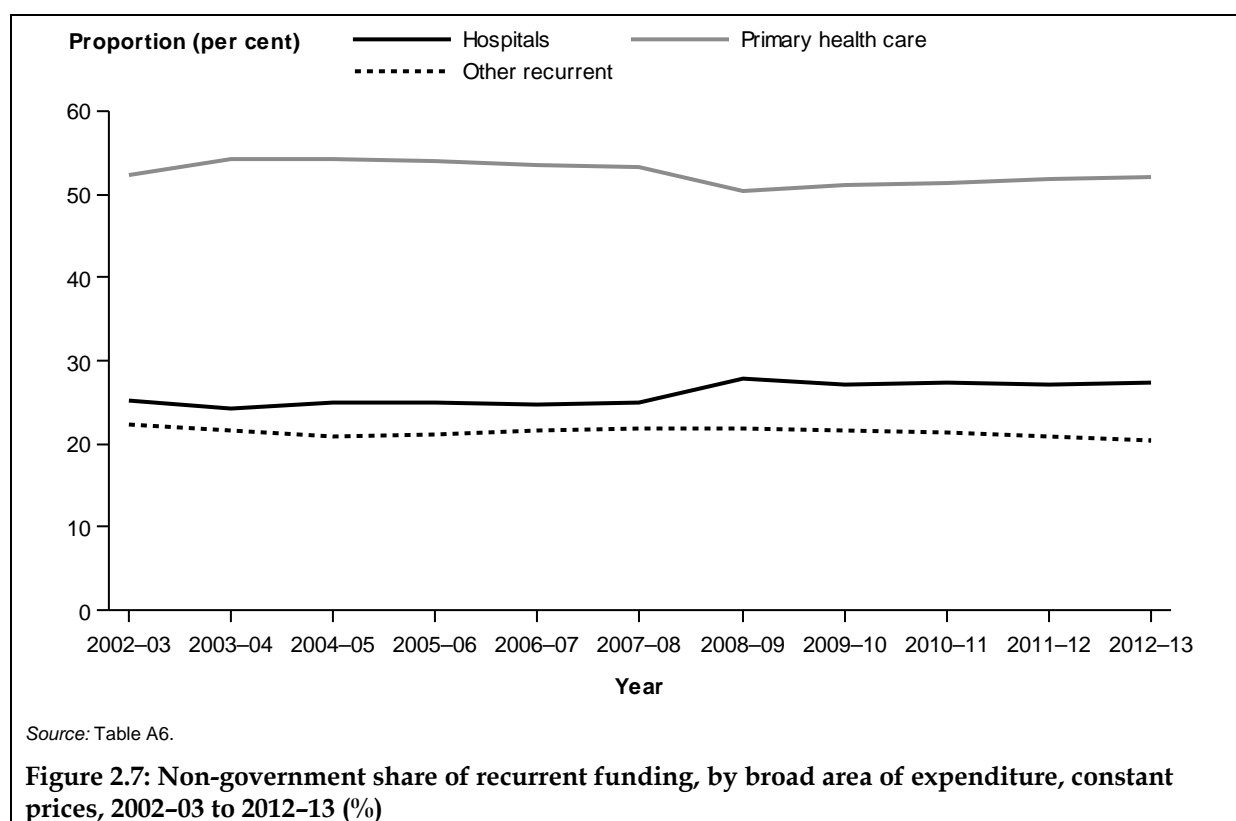
The share of non-government spending attributed to *Primary health care* dropped to a low of 50.3% in 2008-09. It has since gradually grown each year, ending the period at 52.1% in 2012-13 (Table A6 and Figure 2.7).

The share of non-government spending attributed to *Hospitals* fell from 25.2% in 2002-03 to 24.3% in 2003-04. It then stayed at around 25% until 2008-09, at which point it rose to a high of 27.8%, largely as a result of a change in the data collected following the introduction of the Government Health Expenditure National Minimum Data Set. It ended the period at 27.4% (Table A6 and Figure 2.7).

The share of non-government funding attributed to *Other recurrent areas* of health spending decreased overall in the 10-year period, beginning the period at 22.4% in 2002-03 and ending at 20.4% in 2012-13, despite a small increase between 2004-05 and 2008-09 (Table A6 and Figure 2.7).

The remainder of non-government spending was for capital expenditure. In 2002-03, 9.4% of total non-government spending was attributed to *Capital expenditure*. This share increased to a high of 10.1% in 2006-07 and 2007-08. Since then, it has shown a general decreasing trend, ending the decade at 7.3% in 2012-13 (Table A6).

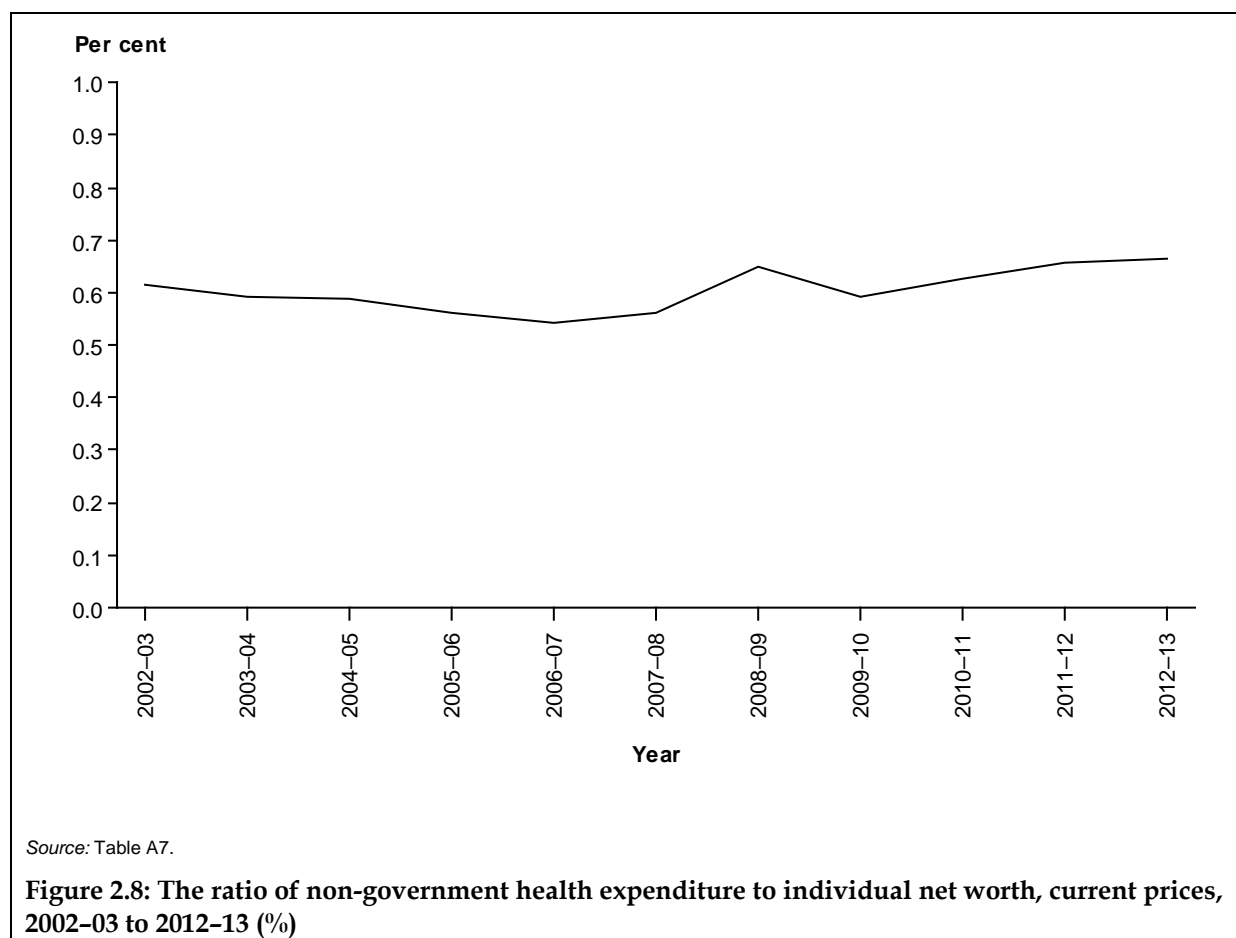




### Non-government health expenditure as a ratio of individual net worth

The above analysis of government expenditure to taxation revenue provides an indication of the share of government resources being consumed by health expenditure. Individual net worth is used here to provide a similar indication of the share of non-government resources being consumed by health expenditure.

The ratio of non-government expenditure to individual net worth varied throughout the decade. It began at 0.61% in 2002-03 and then declined to 0.56% in 2007-08. With the GFC in 2008-09, the ratio rose to 0.65% as a result of slowing in net worth growth but dropped again to 0.59% in the following year. The ratio ended the period at a decade high of 0.66% in 2012-13. The rise at the end of the decade was a result of relatively slow growth in individual net worth in the context of continued growth in expenditure (Table A7 and Figure 2.8).



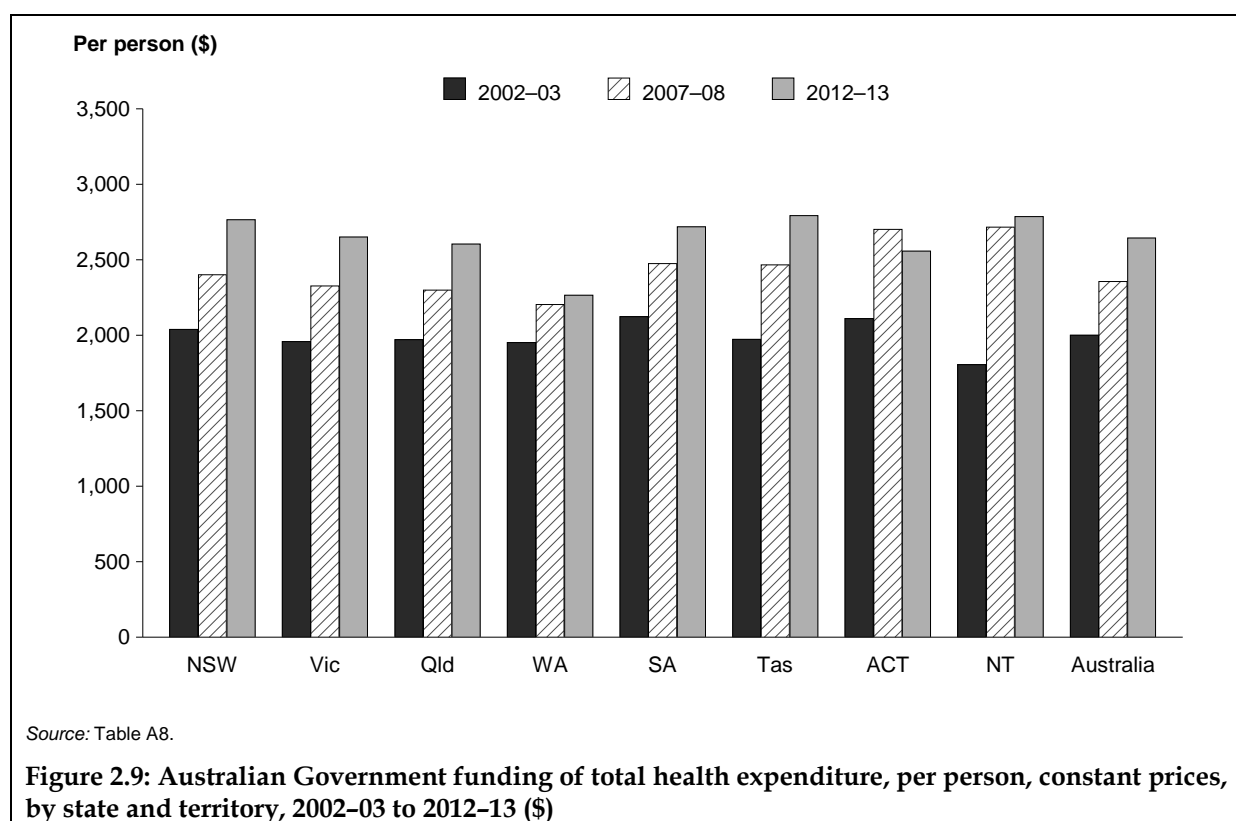
## 2.2 Funding comparisons across jurisdictions

### Australian Government funding

Australian Government funding per person varies across jurisdictions for a number of reasons, including government policy, socioeconomic and demographic profiles as well as variable accessibility to health services due to remoteness (AIHW 2014).

Australian Government funding has risen in all states and territories over the past decade. In 2012-13, the estimated Australian Government funding per person on health averaged \$2,644, which was \$645 more in real terms than in 2002-03; however, this was \$107 less in real terms than in the previous year (Table A8 and Figure 2.9). A decrease in per-person funding from 2011-12 to 2012-13 was seen in all states and territories except Tasmania. The largest decreases were in the Northern Territory (\$734) and the Australian Capital Territory (\$417) (Table A8).

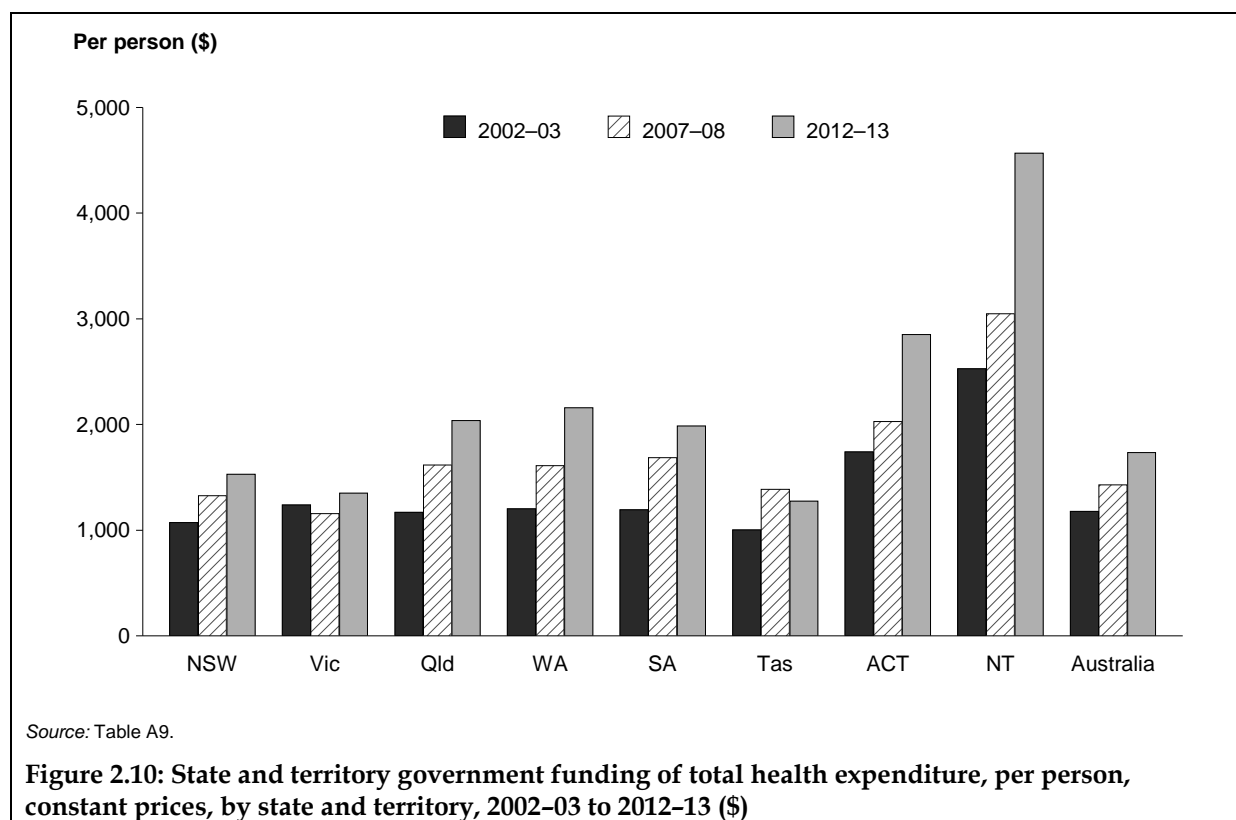
Over the past decade, Australian Government funding grew the fastest in the Northern Territory, at a rate of 4.4%, despite the decrease in funding from 2011-12 to 2012-13. The Northern Territory went from having the lowest Australian Government funding per person in 2002-03 (\$1,804) to the highest in 2011-12 (\$3,519); however, in 2012-13, Tasmania took top spot for Australian Government funding at \$2,792 (Table A8).



## State and territory government funding

All state and territory governments increased their expenditure over the decade. The Northern Territory had the largest growth rate in state and territory government health funding. Per-person expenditure in the Northern Territory in 2012-13 (\$4,567) was 1.81 times the per-person expenditure in 2002-03 (\$2,528), followed by Western Australia (1.80 times) and Queensland (1.74 times). Victoria had the lowest growth rate at 1.09 times the per-person expenditure in 2002-03 (\$1,239) (Figure 2.10 and Table A9).

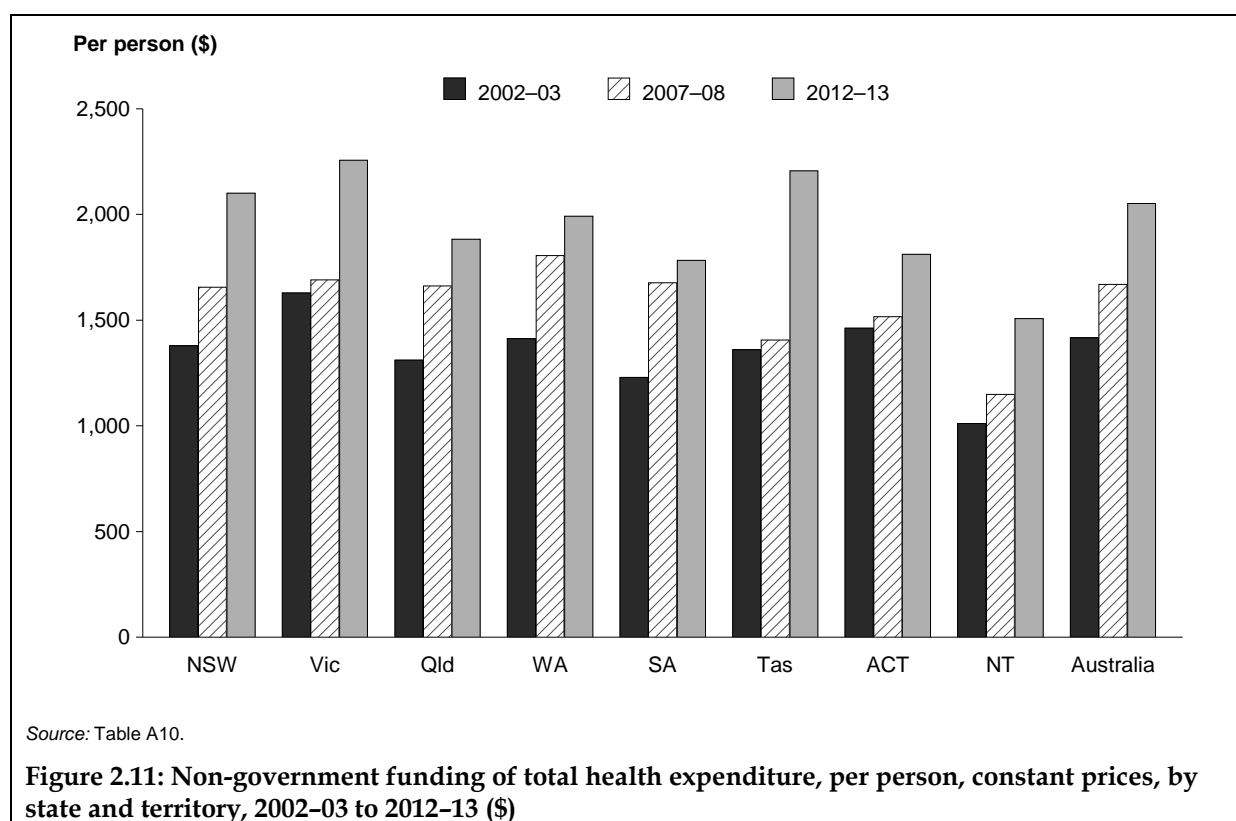
All state and territory governments decreased their per-person expenditure between 2011-12 and 2012-13 except Victoria (\$26 per person growth) and New South Wales (\$93 per person growth). The largest decrease was in Tasmania (\$410 per person).



## Non-government funding

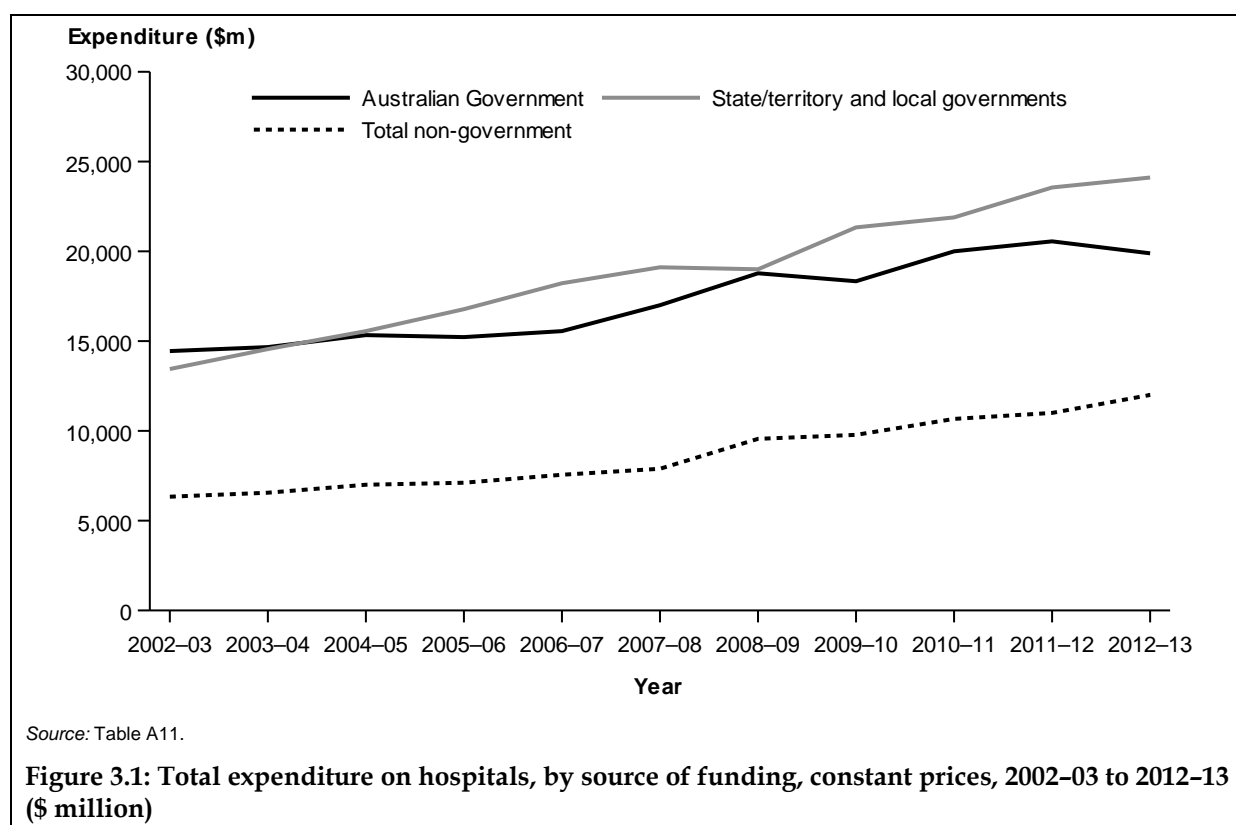
Non-government funding of total health expenditure per person in 2012-13 was \$2,051 nationally, which was \$635 more than in 2002-03 (Figure 2.11 and Table A10).

Unlike funding by governments, per-person non-government expenditure grew in all states and territories between 2011-12 and 2012-13, with the largest growth in Tasmania (\$228) (Table A10).



### 3 Hospitals

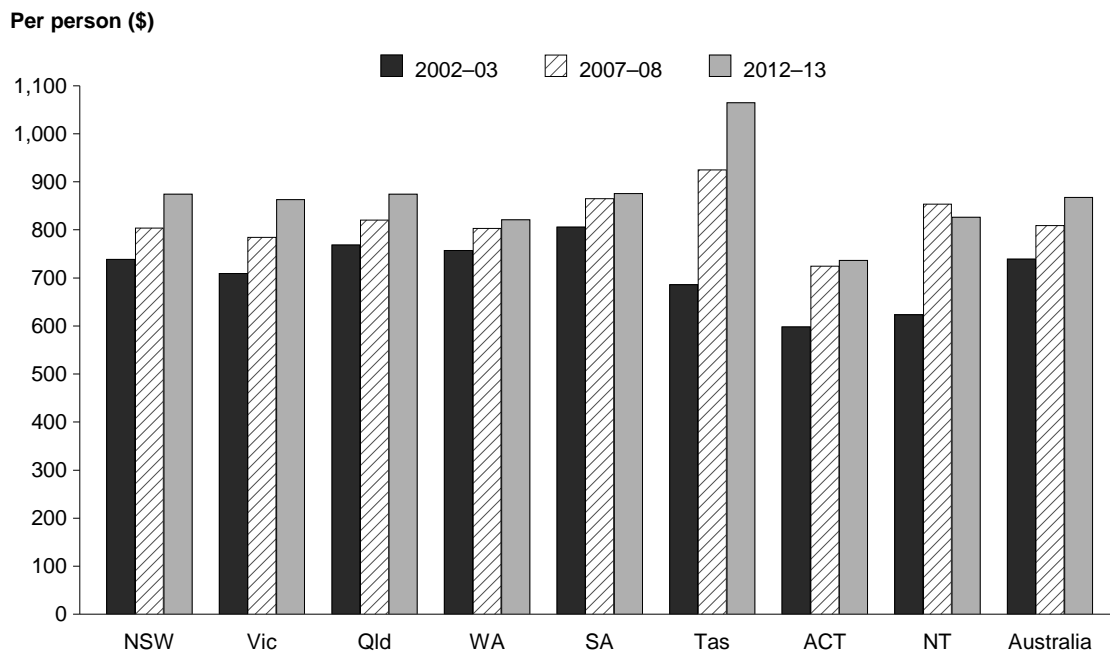
All funders increased their expenditure on hospitals between 2002–03 and 2012–13 (Table A11 and Figure 3.1). Total growth in state and territory government funding, at \$10.6 billion which equates to a 78.6% increase, was almost double (1.97 times) that of the Australian Government (\$5.4 billion equating to a 37.2% increase) and 1.89 times the growth of non-government expenditure (\$5.6 billion equating to a 88.6% increase).



#### 3.1 Australian Government funding

Australian Government funding for *Hospitals* in 2012–13 was \$867 per person Australia-wide, which was \$128 higher than in 2002–03 but \$44 lower than in 2011–12 (Table A14 and Figure 3.2).

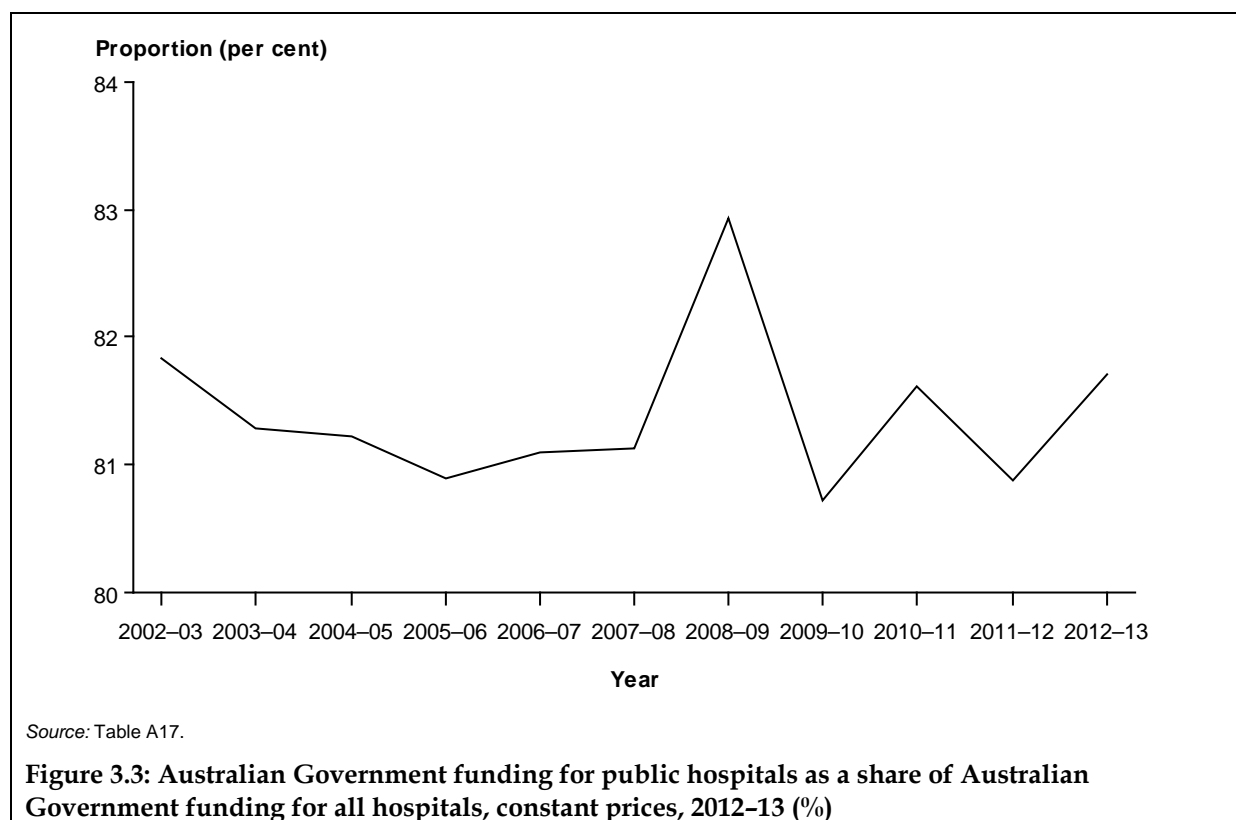
Tasmania received the largest growth in Australian Government funding for *Hospitals* per person over the decade 2002–03 to 2012–13 at 4.5%, on average, per year. It was also the only state to experience an increase in Australian Government funding between 2011–12 and 2012–13 (\$161 per person). In the same period, the Australian Capital Territory and the Northern Territory had the greatest declines (\$156 and \$124 per person respectively).



Source: Table A14.

**Figure 3.2: Australian Government funding of hospitals, per person, constant prices, by state and territory, 2002-03 to 2012-13 (\$)**

The Australian Government provided \$14.5 billion in funding for *Hospitals* in 2002-03, which comprised \$11.9 billion (81.8%) for public hospitals and \$2.6 billion for private hospitals (18.1%). The share of Australian Government funding for public hospitals varied throughout the decade with no clear pattern. It ended the decade just 0.1 of a percentage point different to the start at 81.7% in 2012-13. The peak in 2008-09 (82.9%) was related to a grant provided to the states and territories as part of the Australian Government's response to the GFC (Table A17 and Figure 3.3).



## 3.2 State and territory government funding

In 2012-13, the average per-person state and territory government funding for public and private hospitals was \$1,052, a \$364 increase from 2002-03 but just a \$4 increase from 2011-12 (Table A18 and Figure 3.4).

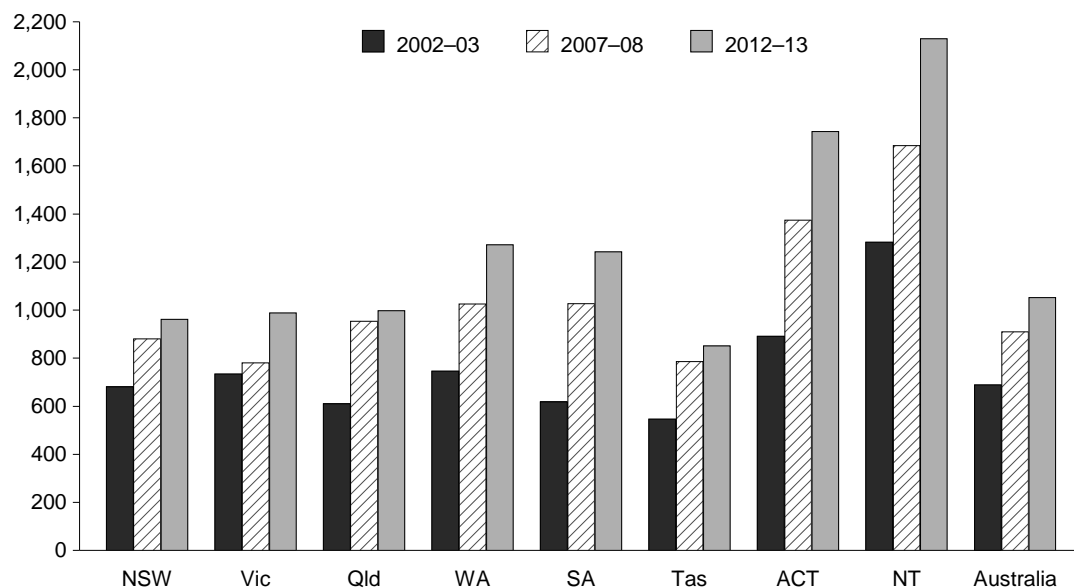
The Northern Territory and the Australian Capital Territory governments spent relatively higher amounts of money on hospitals per person throughout the decade. In 2012-13, the Northern Territory had the highest per-person state and territory expenditure on *Hospitals* at \$2,129, which was \$1,077 higher than the national average. The Australian Capital Territory was the second highest at \$1,743 per person, which was \$472 more than the next highest, Western Australia.

South Australia had the largest growth in *Hospitals* expenditure, twice (2.01 times) its expenditure between 2002-03 and 2012-13.

Victoria, Queensland and the Northern Territory were the only jurisdictions to increase their per-person expenditure on hospitals between 2011-12 and 2012-13. Tasmania had the largest decline in state and territory funding in 2012-13 (\$166 per person) (Table A18).



Per person (\$)



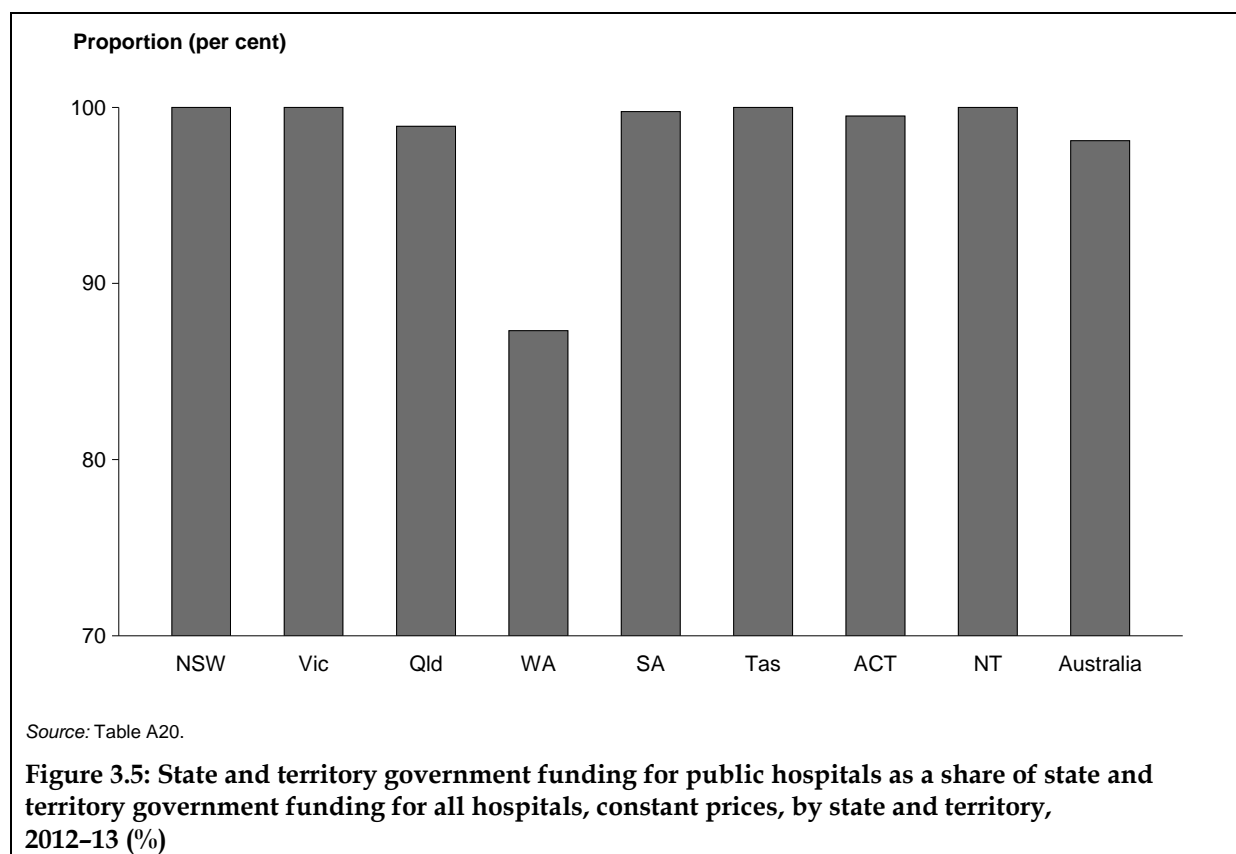
Source: Table A18.

**Figure 3.4: State and territory government funding of hospitals, per person, constant prices, by state and territory, 2002-03 to 2012-13 (\$)**

## Public and private hospital state and territory government funding by jurisdiction

In 2012-13, state and territory governments funded \$23.7 billion for public hospitals, which represented 98.1% of all state and territory government funding for hospitals (Table A20). This proportion did not change significantly over the previous decade.

For most states and territories, funding for public hospitals was close to 100% of hospital funding in 2012-13 and for most of the previous decade (Table A20 and Figure 3.5). Western Australia was an exception to this, with the lowest share of state government funding for public hospitals each year between 2002-03 and 2012-13. In 2012-13, the share of state government funding for public hospitals in Western Australia was 87.3% (Figure 3.5 and Table A20).



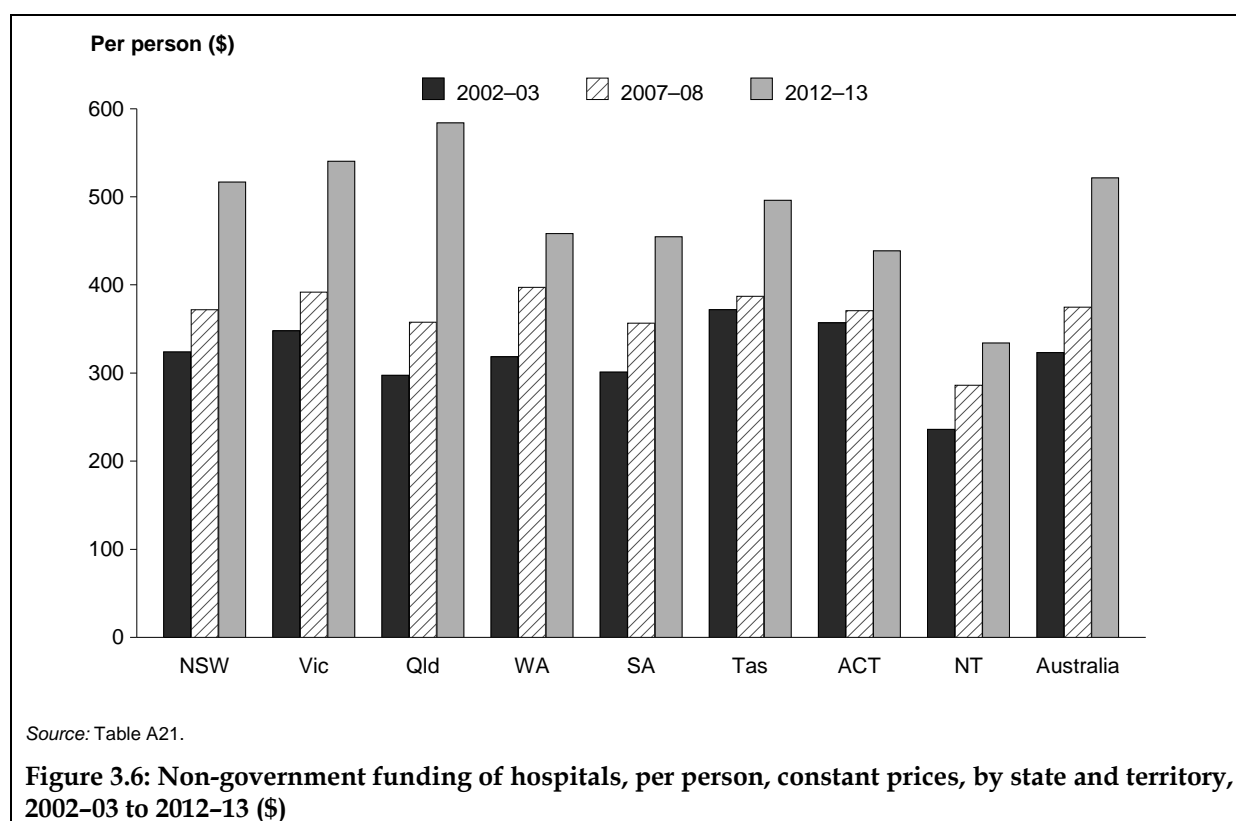
### 3.3 Non-government funding

In 2012-13, the average per-person non-government health expenditure on *Hospitals* was \$521, which had grown by \$198 per person since 2002-03 (Table A21 and Figure 3.6).

The Australian Capital Territory had the lowest growth over the period of \$82 per person. This was followed by the Northern Territory and Tasmania (\$98 and \$124, respectively).

Queensland had the largest growth at 7.0%, increasing by \$287 per person over the decade. Growth in New South Wales, Victoria and South Australia were 4.0% or higher each year.

Victoria was the only jurisdiction where there was a decline in non-government funding for *Hospitals* between 2011-12 and 2012-13 (\$9 per person). The Australian Capital Territory and Western Australian had the largest increases (\$129 and \$111, respectively).

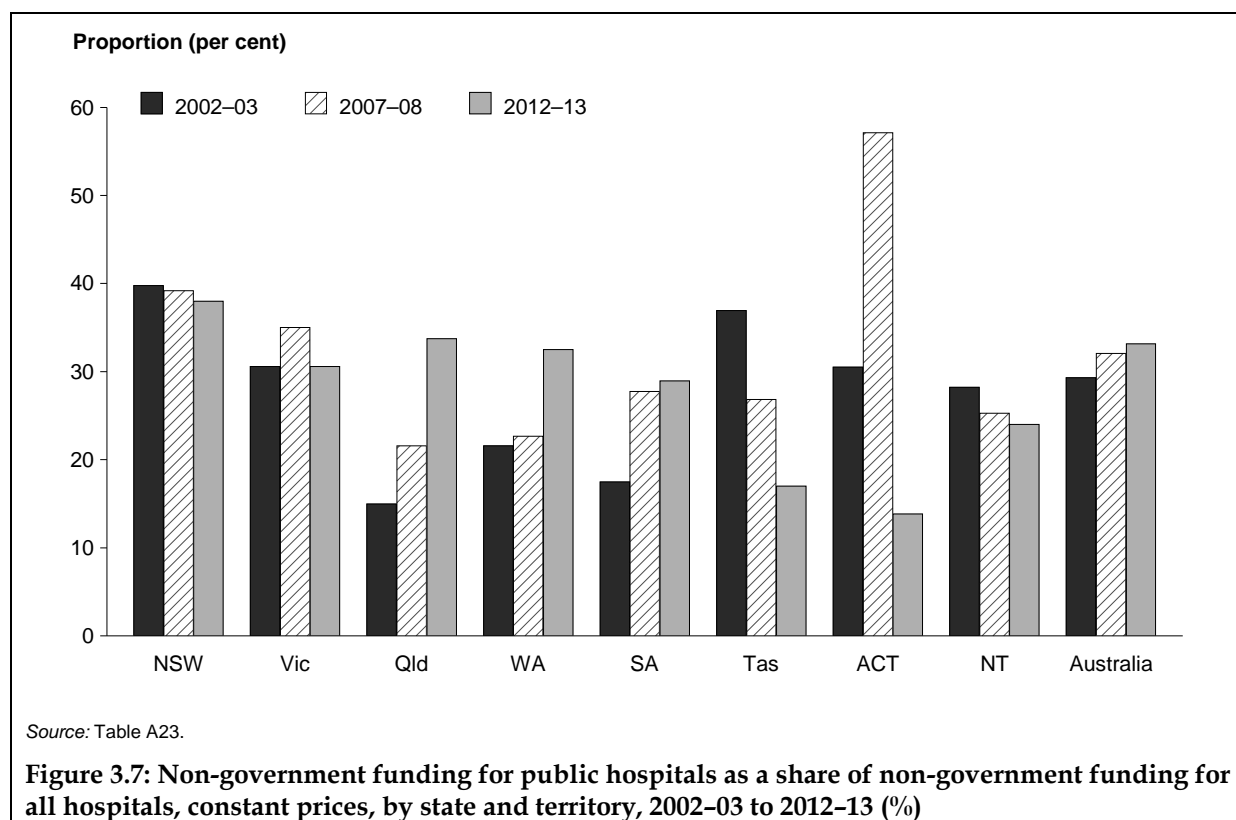


## Public and private hospital non-government funding by jurisdiction

In 2012-13, non-government funding for public hospitals was \$4.0 billion. Across the past decade, the non-government funding for public hospitals as a share of non-government funding for all hospitals, grew from 29.2% in 2002-03 to 33.1% in 2012-13 (Figure 3.7 and Table A23).

The share of non-government funding for public hospitals varied across the decade for each state and territory. Queensland had the lowest share of all states and territories in 2002-03, with just 14.9% of non-government funding for all hospitals going to public hospitals. In 2012-13, this share had more than doubled to 33.7%, to be the second highest behind New South Wales (37.9%) (Figure 3.7 and Table A23).

In contrast, the share of non-government funding for public hospitals in Tasmania decreased over the decade; it began the period at 36.9% of all hospitals funding in 2002-03, and dropped to 16.9% in 2012-13 (Figure 3.7 and Table A23).



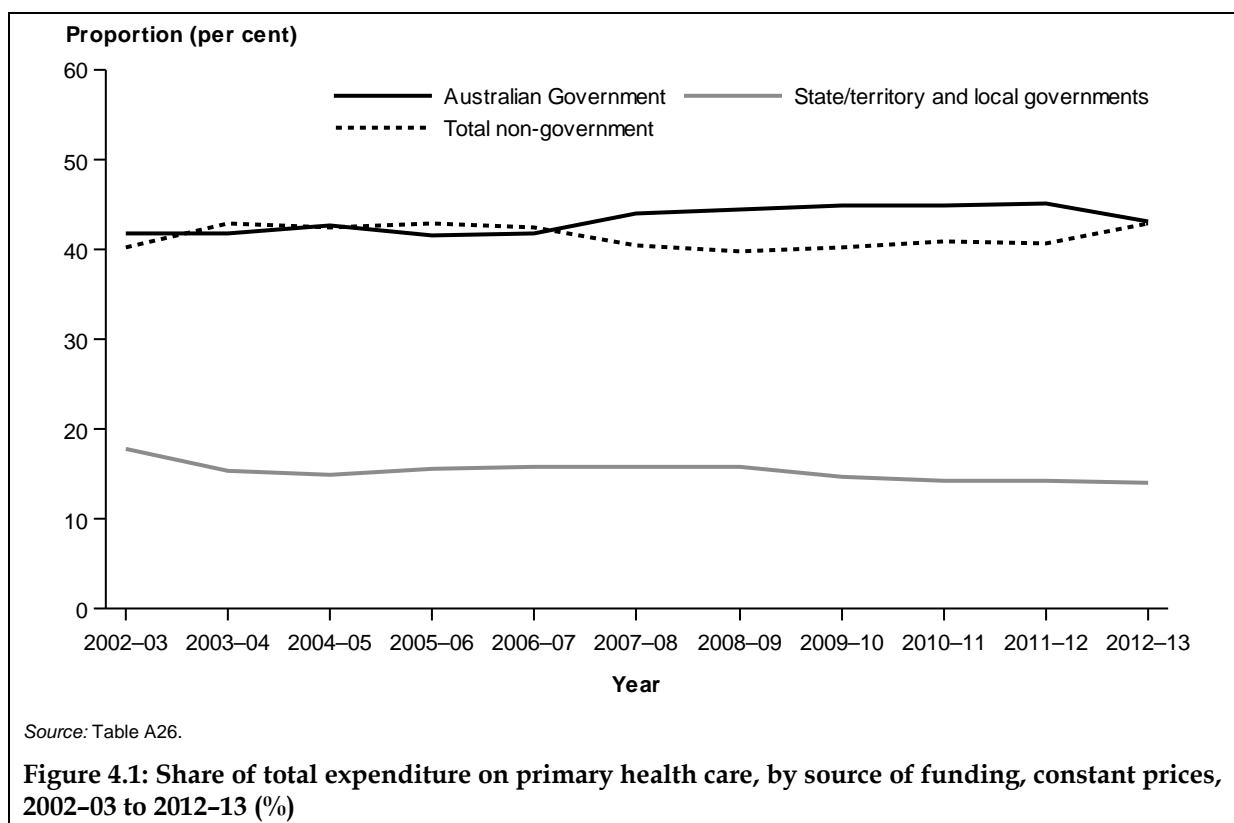
## 4 Primary health care

Primary health care services are delivered in numerous settings, such as general practices, community health centres, allied health practices (for example, physiotherapy, dietetic and chiropractic practices and tele-health) and under numerous funding arrangements.

In 2012–13, \$52.9 billion was spent on *Primary health care* in Australia, up from \$32.7 billion in 2002–03.

Over the decade, primary health care spending is shared relatively evenly between Australian Government and non-government sources. The share of *Primary health care* spending contributed by the Australian Government rose between 2005–06 (41.6%) and 2011–12 (45.0%) but in 2012–13 it dropped to 43.0%, back to around the same level as the total non-government share (Table A26).

The share of *Primary health care* funding provided by state and territory governments generally fell over the decade (Table A26) from 17.9% in 2002–03 to 14.0% in 2012–13, at the same time, their funding share for public hospitals increased (Table A12).

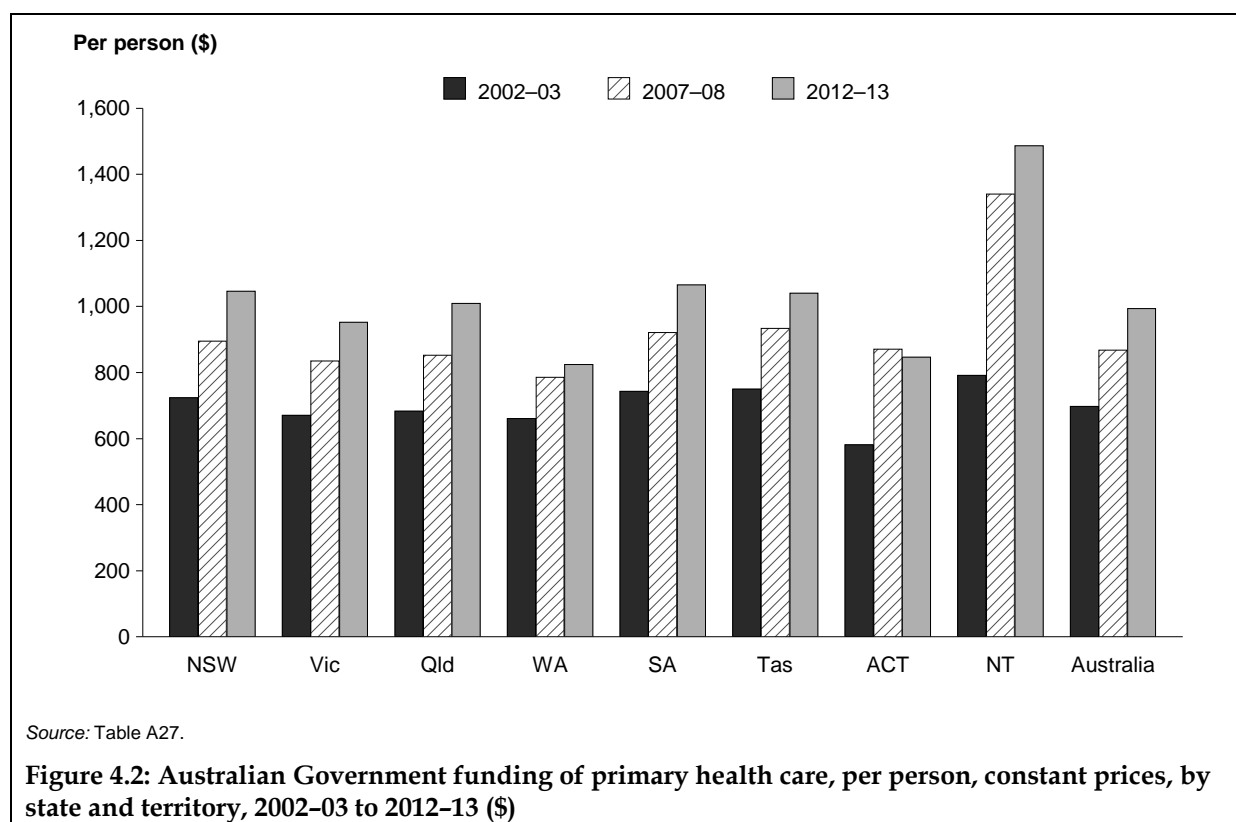


### 4.1 Australian Government funding

Australian Government funding of *Primary health care* in 2012–13 was \$994 per person, up from \$697 in 2002–03, although this was down from \$1,031 in 2011–12 (Table A27).

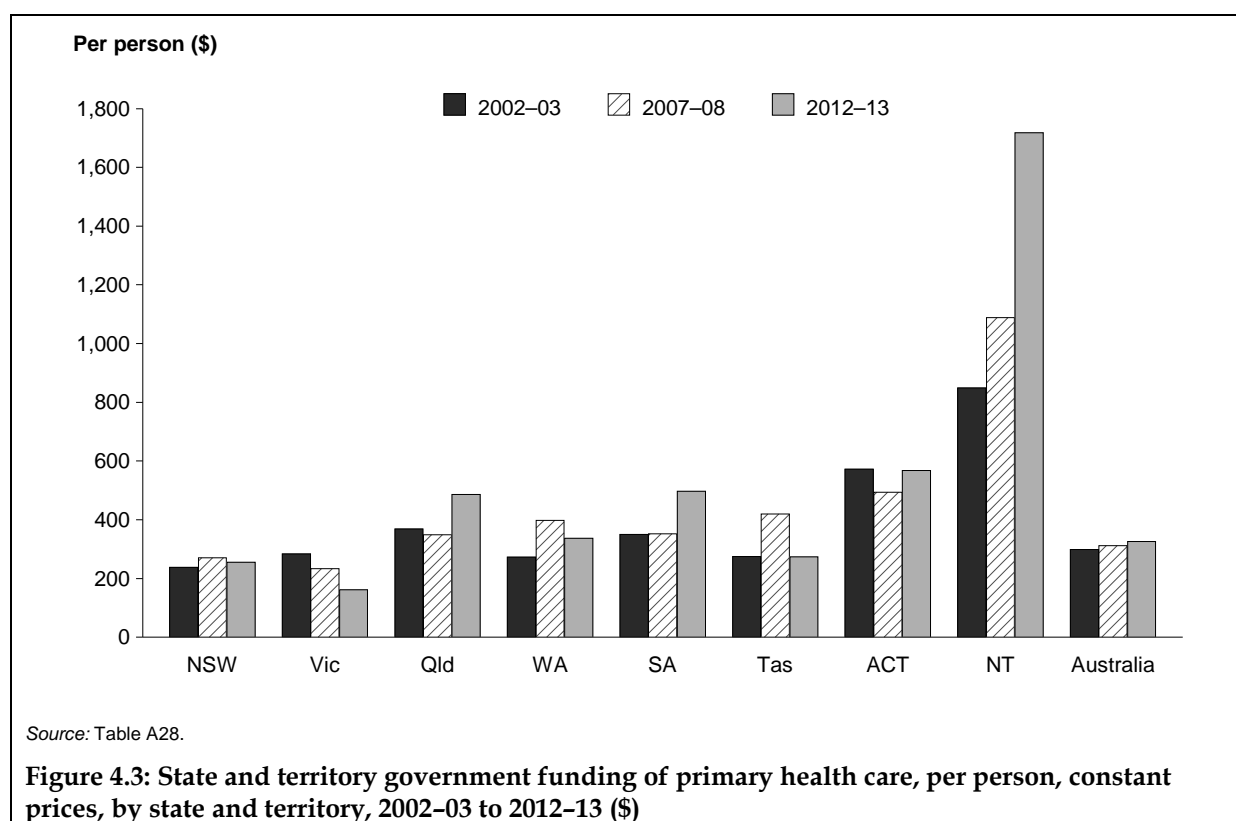
In 2012–13, per-person funding from the Australian Government was the lowest in Western Australia at \$824 per person and the highest in the Northern Territory at \$1,486 per person (Table A27 and Figure 4.2).

Australian Government funding for *Primary health care* fell in all jurisdictions between 2011–12 and 2012–13, with the greatest decrease in the Northern Territory (\$267). However, Australian Government funding for *Primary health care* grew by an average of 3.6% per year over the decade.



## 4.2 State and territory government funding

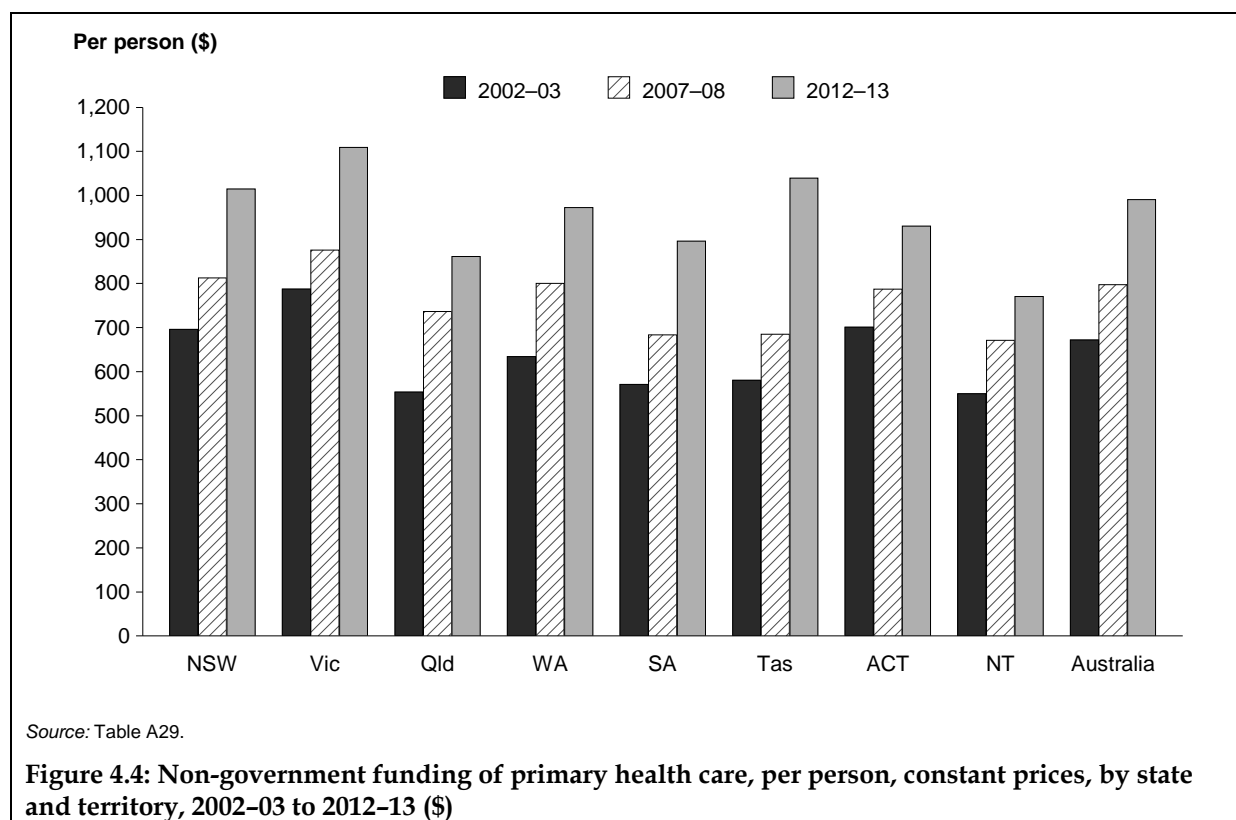
In 2012–13, state and territory government funding for *Primary health care* averaged \$326 per person across Australia. The Northern Territory government spent the most per person in 2012–13 (\$1,718) and had the largest growth over the decade (Table A28 and Figure 4.3).



## 4.3 Non-government funding

In 2012-13, non-government funding for *Primary health care* (mostly coming from individuals' out-of-pocket payments) was \$991 per person, which is an increase from \$671 per person in 2002-03 (Table A29 and Figure 4.4).

In 2012-13, non-government funding per person in Victoria was \$1,109, the highest of all the jurisdictions. The lowest level of non-government funding was in the Northern Territory and Queensland at \$771 and \$861, respectively. For each year across the decade 2002-03 to 2012-13, Victoria had the highest non-government funding for *Primary health care*. The average annual growth for all jurisdictions over the decade was 4.0% (Table A29 and Figure 4.4).



## 4.4 Primary health care by area of expenditure and source of funds

Of the \$52.9 billion spent on *Primary health care* in 2012-13, benefit-paid pharmaceuticals accounted for \$10.0 billion, for which the Australian Government provided the majority of the funding (\$8.4 billion). Individuals contributed \$1.5 billion out of pocket towards the cost of benefit-paid pharmaceuticals (Table A30).

Spending on *All other medication* (see Glossary), which includes over-the-counter pharmaceuticals, private prescriptions as well as under copayment pharmaceuticals, was \$9.3 billion in 2012-13. Almost all of this, \$8.7 billion, was paid for by individuals through out-of-pocket payments (Table A30 and Figure 4.5).

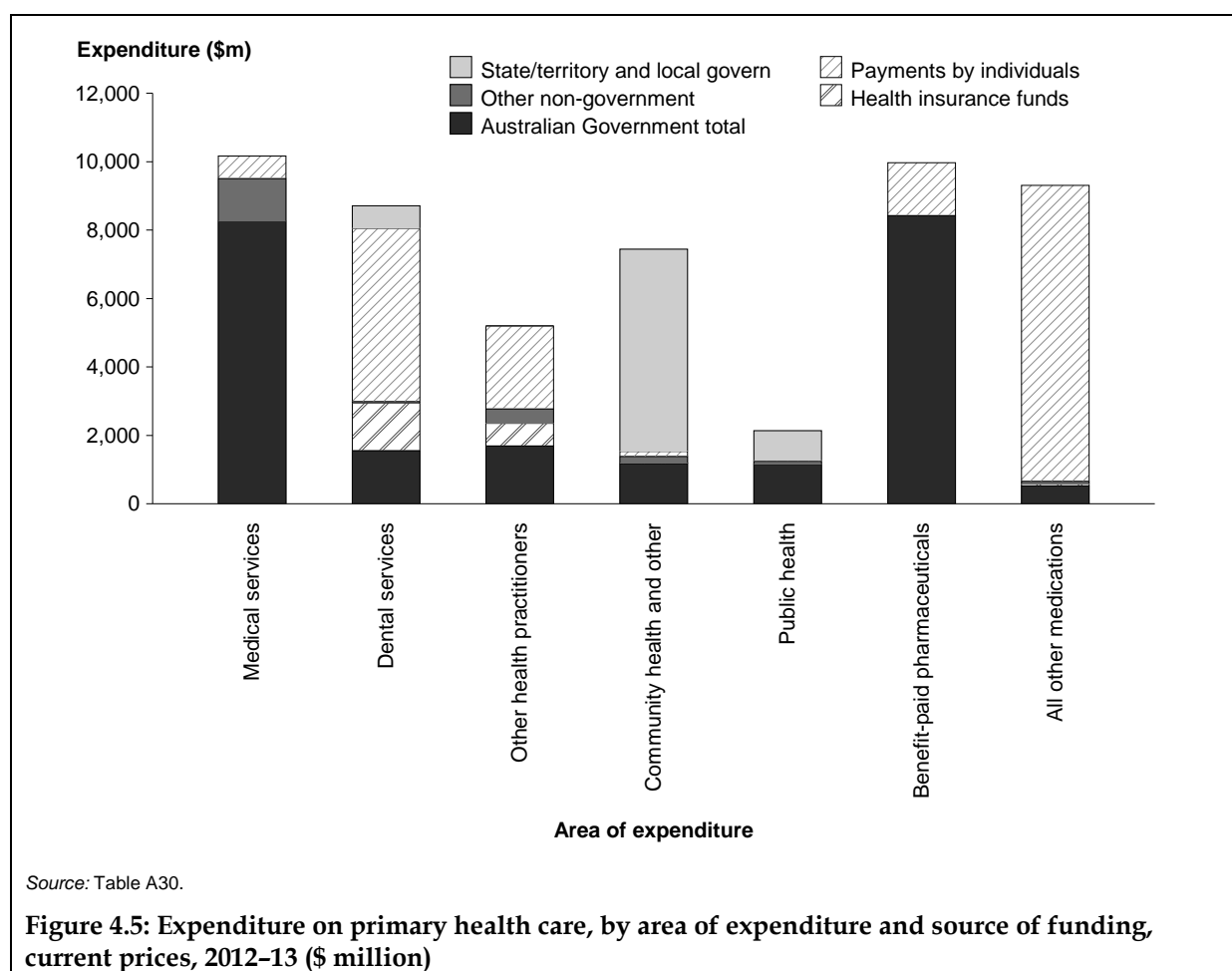
The cost of medical services provided in the primary health care setting was \$10.2 billion in 2012-13 for which the majority of the funding came from the Australian Government (\$8.3 billion).

Expenditure on dental services and *Other health practitioner services* was \$8.7 billion and \$5.2 billion, respectively, in 2012-13. Individuals' out-of-pocket payments accounted for 58.2% (\$5.1 billion) and 46.6% (\$2.4 billion) of the funding for dental services and *Other health practitioner services*, respectively.

Community health services cost \$7.4 billion in 2012-13, which was mostly funded through state and territory governments (\$5.9 billion).

The cost of providing public health services was \$2.1 billion, which was mostly funded by the Australian Government (\$1.2 billion) and the state and territory governments (\$0.9 billion).



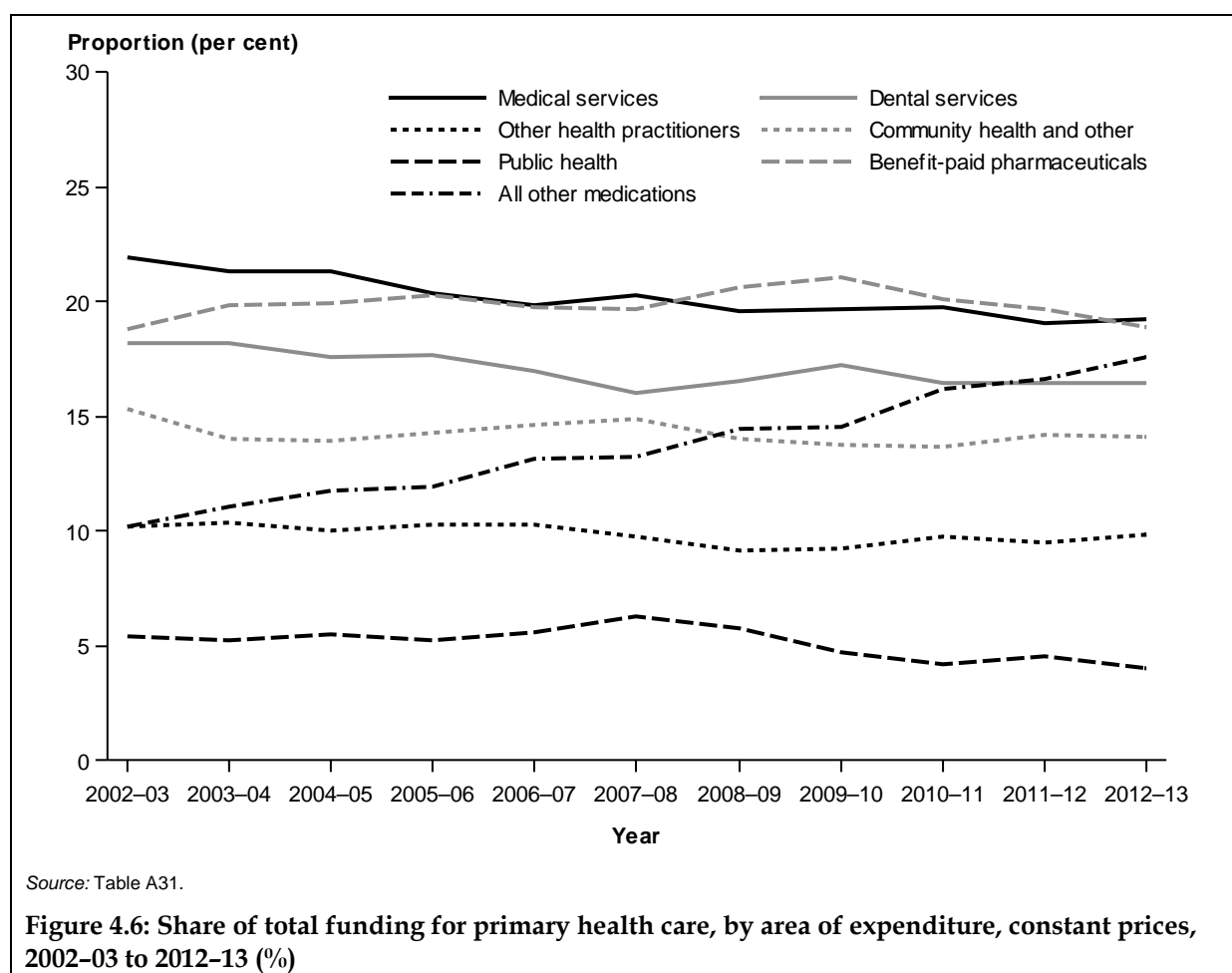


In 2002-03, medical services attracted the highest share of primary health care funding at 21.9%. This was a change from previous years, where benefit-paid pharmaceuticals had tended to attract the most spending. This change occurred as a result of a decline in the benefit-paid pharmaceuticals proportion between 2009-10 and 2012-13 (Figure 4.6 and Table A31).

The share of recurrent funding for *All other medications* in 2002-03 was 10.2%. Over the decade, the share increased to 17.5% in 2012-13 (Figure 4.6 and Table A31). *All other medications* includes pharmaceuticals for which no Pharmaceutical Benefits Scheme (PBS) or Repatriation Pharmaceutical Benefits Scheme (RPBS) benefit was paid, such as private prescriptions, under copayment prescriptions and over-the-counter medicines.

Public health and *Other health practitioner services* attracted the smallest share of primary health-care funding, at around 5% and 10%, respectively, across the decade (Figure 4.6 and Table A31).

The share of primary health care funding for dental services was 18.1% in 2012-13. This share gradually declined to 15.9% in 2007-08 before rising to 17.2% in 2009-10. In 2012-13, the share was 16.4% (Figure 4.6 and Table A31).



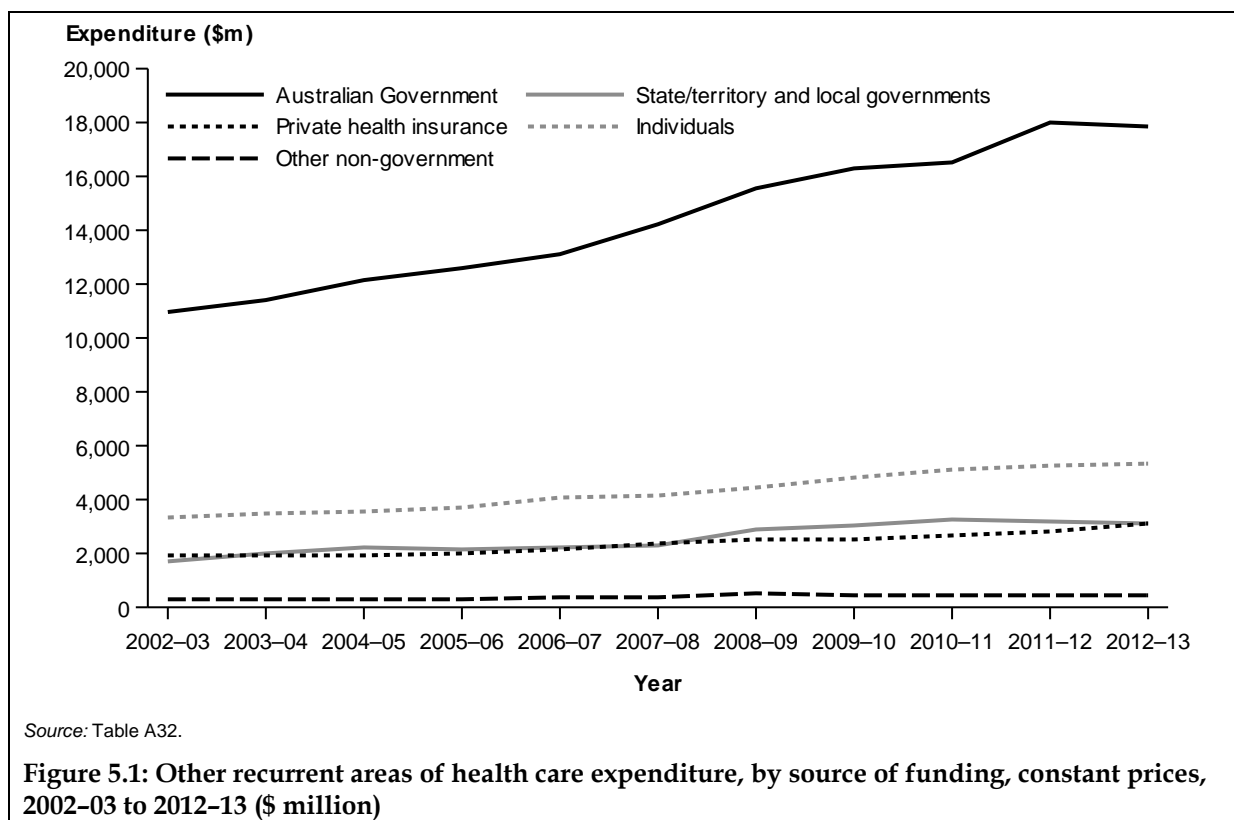
## 5 Other recurrent areas of health expenditure

There are a number of areas of expenditure for which recurrent health spending is not categorised as either *Hospitals* or *Primary health care*. In this report, these areas of expenditure are grouped under *Other recurrent areas*. The areas of expenditure that fall into this category are:

- patient transport services
- referred medical services (those non-hospital medical services that have not been classified as primary health care)
- aids and appliances
- administration
- research.

### 5.1 Funding for Other recurrent areas

The Australian Government is the largest funding source of recurrent expenditure in *Other recurrent areas* of health care, mainly due to funding through the Medicare program. In 2012–13, the Australian Government spent \$17.9 billion, or nearly 60% of the total recurrent expenditure, in *Other recurrent areas* of health care. Individuals provided the next largest source of funds, with an expenditure of \$5.4 billion in 2012–13 (Table A32 and Figure 5.1).

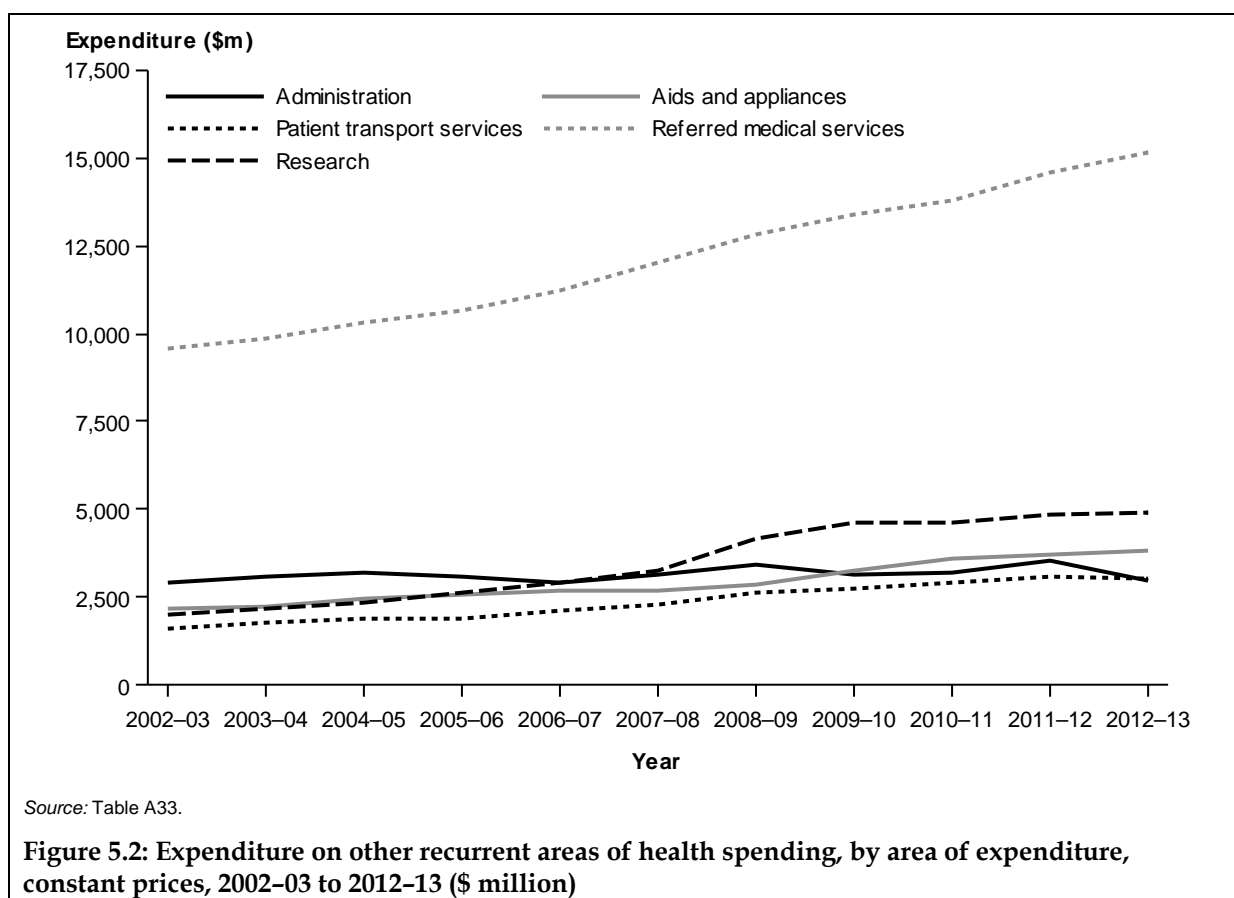


## 5.2 Components of Other recurrent areas

Over 50% of *Other recurrent areas* of health care expenditure is through *Referred medical services*, with an expenditure of \$15.2 billion in 2012–03. *Research*, with an expenditure of \$4.9 billion in 2012–13, was the second highest area of expenditure (Table A33 and Figure 5.2).

Expenditure on *Administration* has varied throughout the 10-year period with a low of \$2.9 billion in 2002–03 and 2006–07 and a high of \$3.5 billion in 2011–12. In 2012–13, the *Administration* expenditure dropped to \$3.0 billion (Table A33).

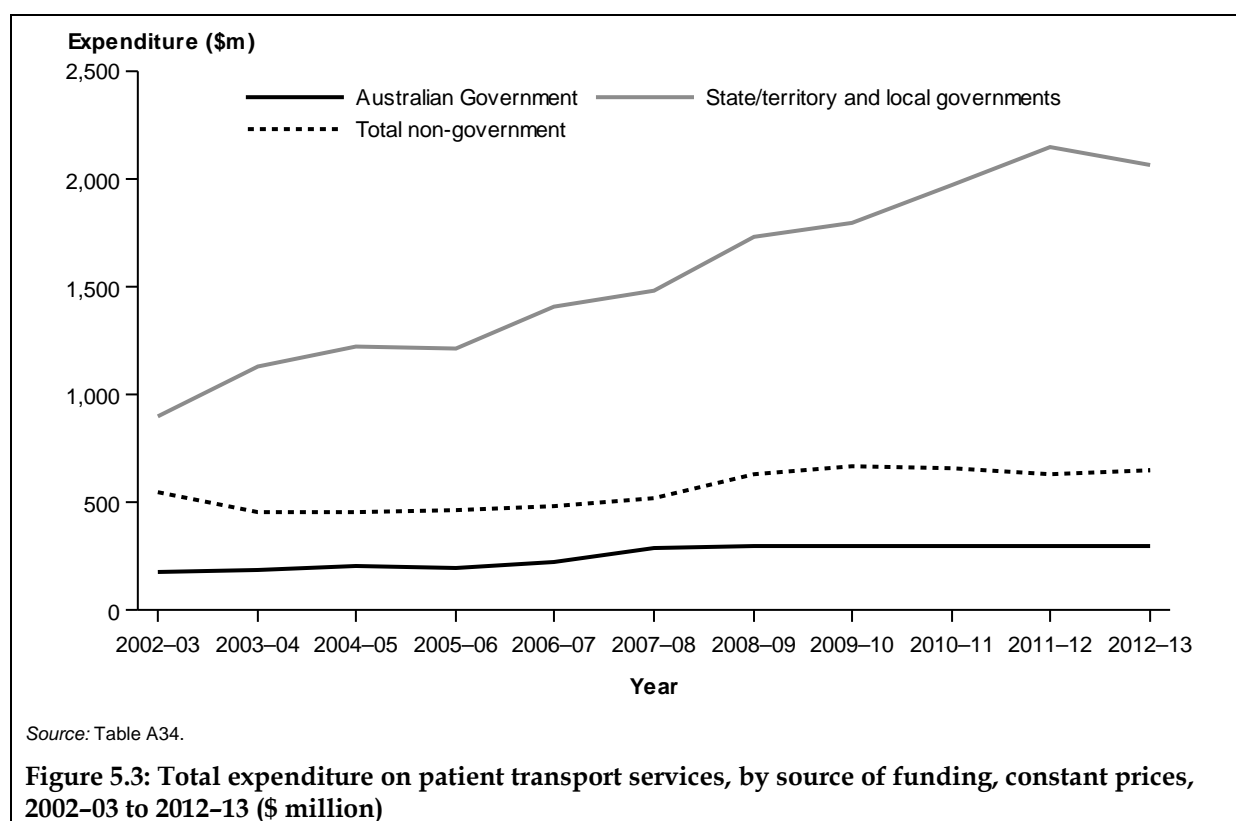
The proportions of expenditure on *Patient transport services* and *Aids and appliances* have increased from 2002–03 to 2012–13 (from 8.8% to 10.1% and from 11.7% to 12.9%, respectively) (Table A33).



### Patient transport services

Of the total health expenditure on *Patient transport services* of \$3.0 billion in 2012–13, state and territory governments funded \$2.1 billion (Table A34 and Figure 5.3).

The average annual growth for *Patient transport services* expenditure from 2002–13 to 2012–13 was 6.4%. The state and territory government average annual growth was 8.6% in the same period, which was higher than any other source of patient transport funding. There was, however, a substantial reduction in state and territory expenditure on *Patient transport services* from 2011–12 to 2012–13 (Table A34).



## Referred medical services

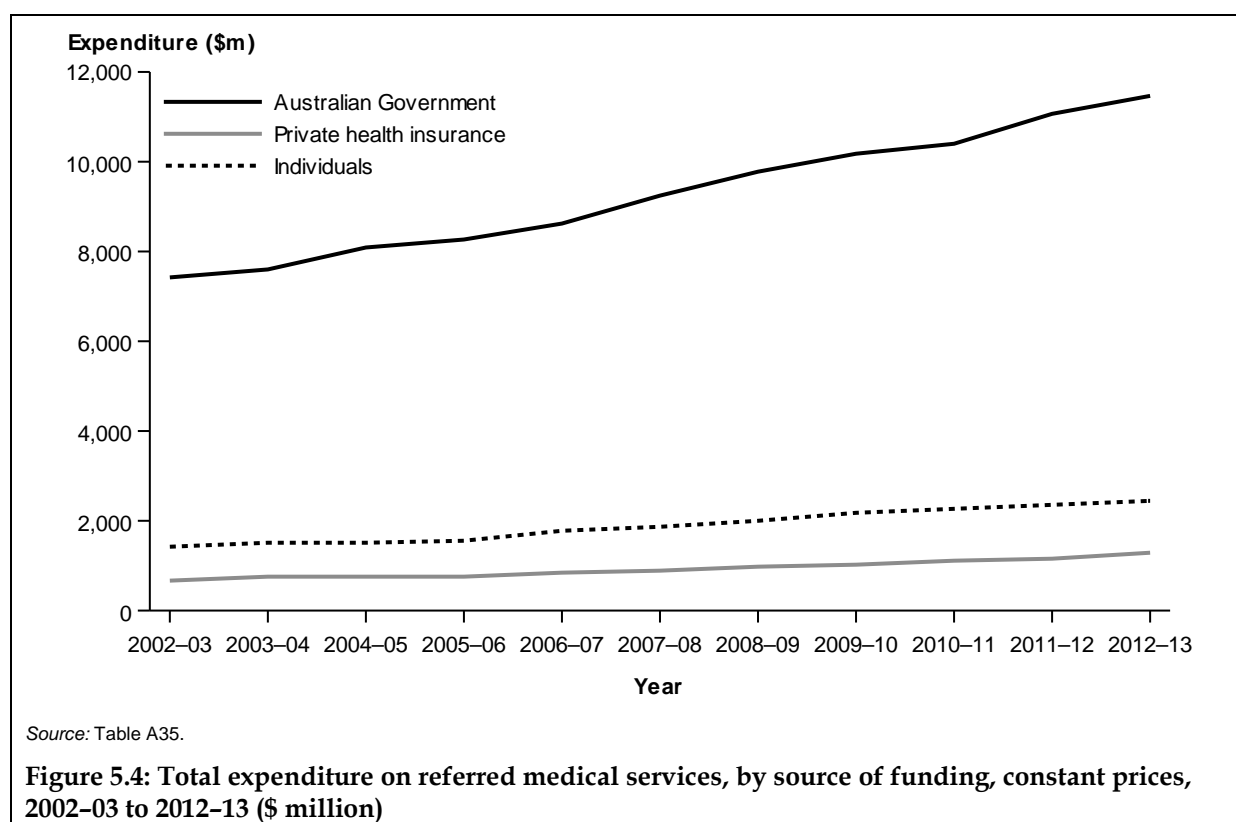
In 2012-13, \$15.2 billion was spent on *Referred medical services* that are not provided through the primary health care setting, such as those provided by medical specialists (Table A35 and Figure 5.4).

The majority of the \$15.2 billion was provided by the Australian Government (\$11.4 billion), with the remainder of the cost funded by individuals through out-of-pocket payments (\$2.4 billion) and through private health insurance (\$1.3 billion) (Table A35 and Figure 5.4).

The growth in funding from all sources was 4.0% in 2012-13, which was lower than the growth in the previous year, 2011-12 (5.8%).

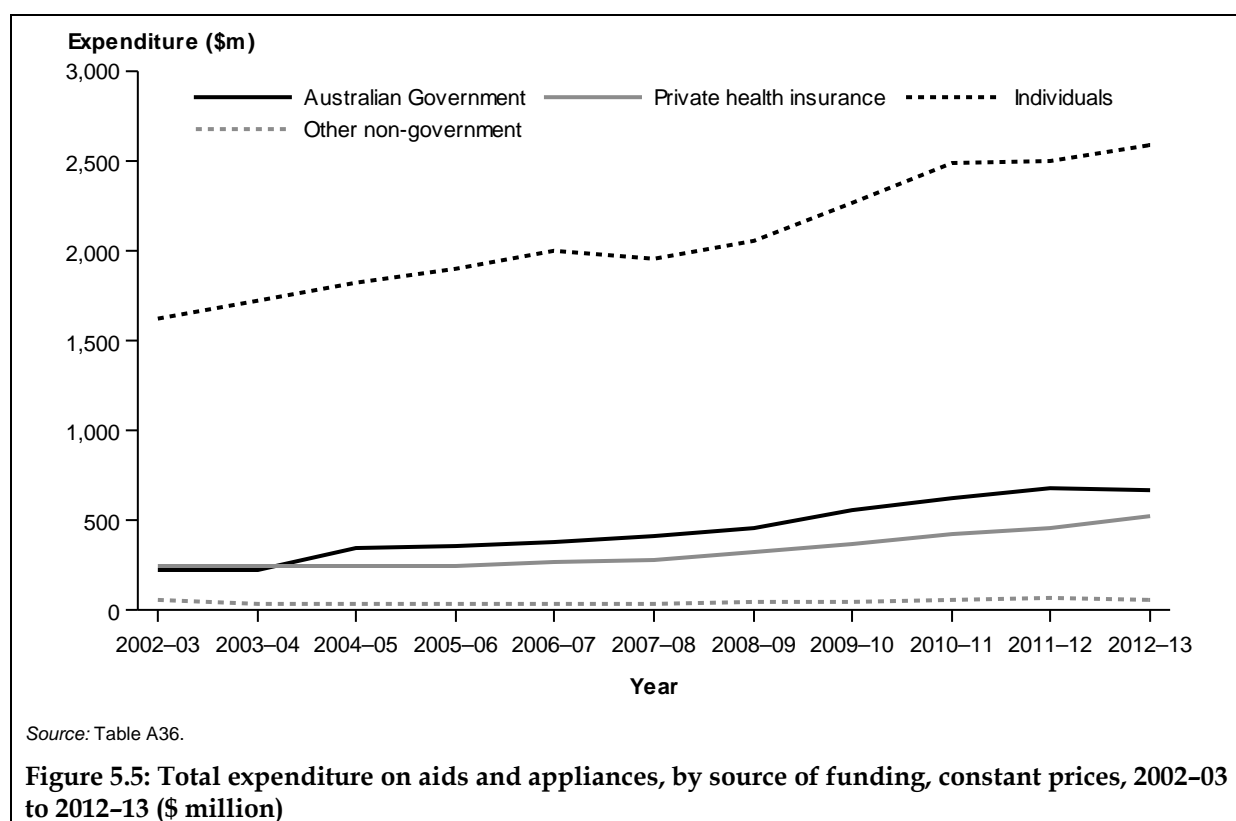
The highest growth in expenditure for *Referred medical services* was in 2007-08 (7.2%), which was almost entirely due to a large increase in funding by the Australian Government in that year.

Between 2004-05 and 2008-09, the Australian Government had 3 years with growth over 6% for *Referred medical services*, which coincides with the introduction of the Medicare Safety Net in 2004. After a review of the Medicare Safety Net in 2009, limits on access were introduced (van Gool et al. 2011). This coincided with lower growth rates in 2009-10 and 2010-11, of 4.4% and 3.0%, respectively (Table A35).



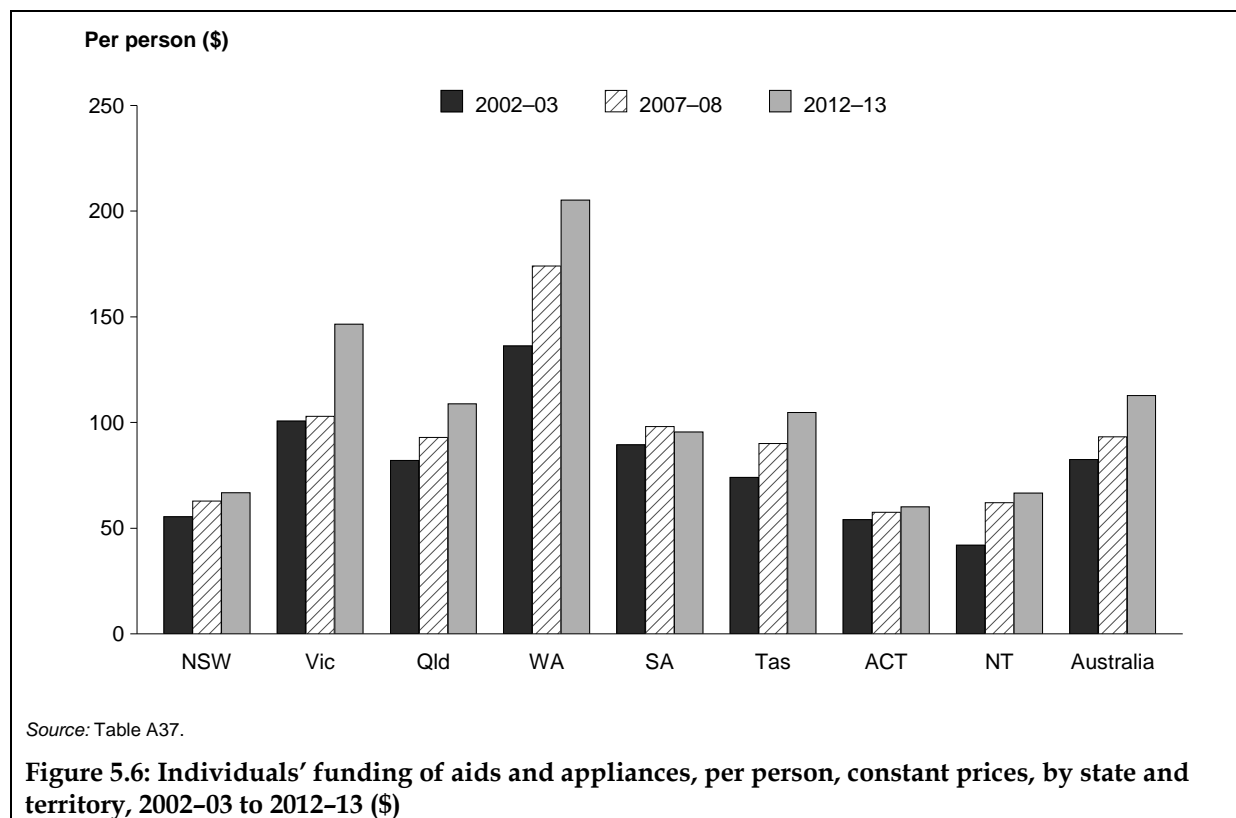
## Aids and appliances

Individuals, through out-of-pocket payments, provided most of the funding for *Aids and appliances*, at 67.2% of the total expenditure of \$3.8 billion in 2012-13. The Australian Government provided \$0.7 billion of the total funding for *Aids and appliances* in 2012-13. The average annual growth rate in Australian Government funding from 2002-03 to 2012-13 was 11.5%, compared with 4.8% over the same period for out-of-pocket payments by individuals (Table A36 and Figure 5.5).



From 2002-03 to 2012-13, individuals' funding for *Aids and appliances* had the highest increase in the Northern Territory, with an average annual real growth rate of 4.8% over that period. The Australian Capital Territory, South Australia and New South Wales remained relatively steady, with small average growth over that period (Table A37).

In 2012-13, Western Australia had the highest per-person funding from individuals for *Aids and appliances* at \$205 per person, which was nearly double the national average of \$113 per person. The Australian Capital Territory had the lowest, at \$60 per person (Table A37 and Figure 5.6).



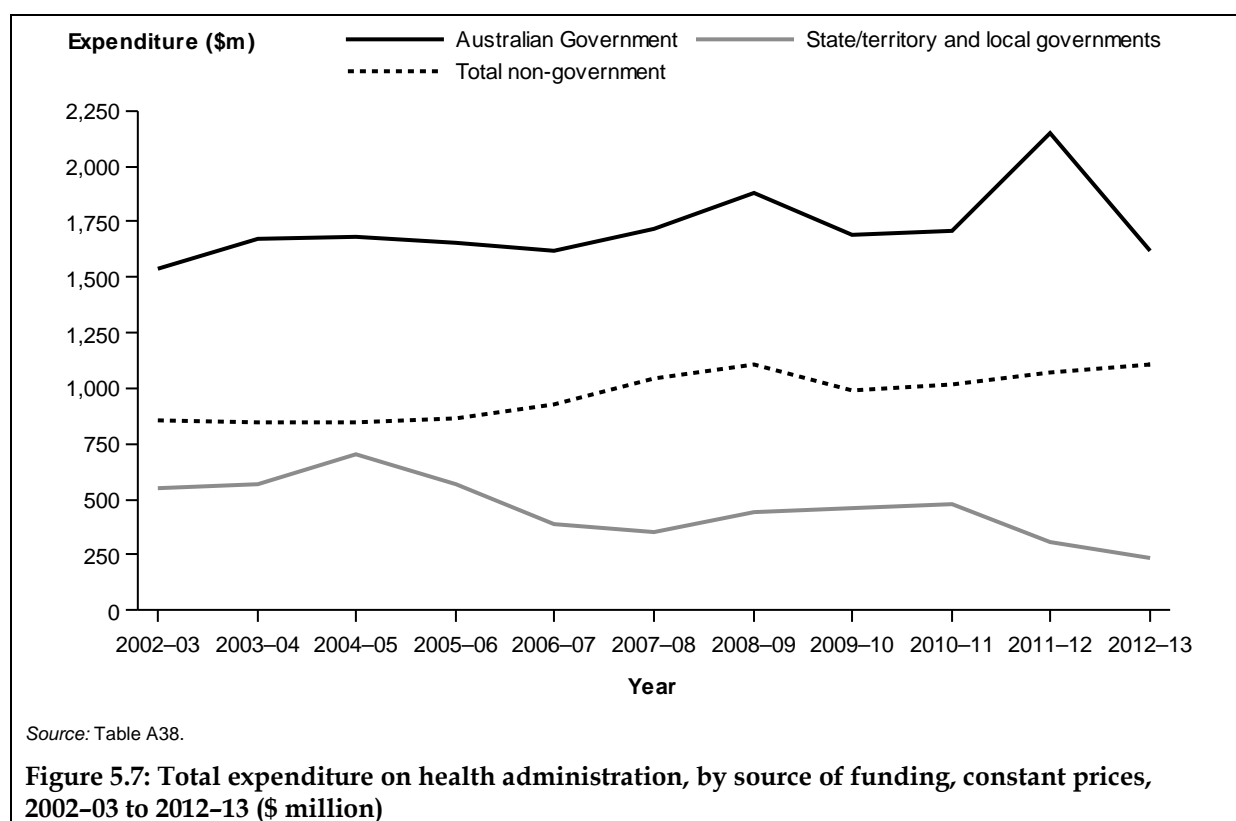
## Administration

Where possible, administrative costs related to the delivery of particular health goods and services are included in the direct expenditure relevant to those goods and services; that is, administrative costs for delivering a dental service are reported as part of dental services rather than administration. Hence, administration only includes those costs that cannot be allocated to a specific health good and service. In recent years, as more detailed data have become available, a larger share of government health administration costs have been able to be allocated to a specific health good or service, which has reduced the amount of expenditure reported as *Administration*.

Australian Government expenditure in *Administration* decreased from \$1.9 billion in 2008-09 to \$1.7 billion in 2010-11. In 2011-12, it increased to \$2.2 billion before declining to \$1.6 billion in 2012-13 (Table A38 and Figure 5.7).

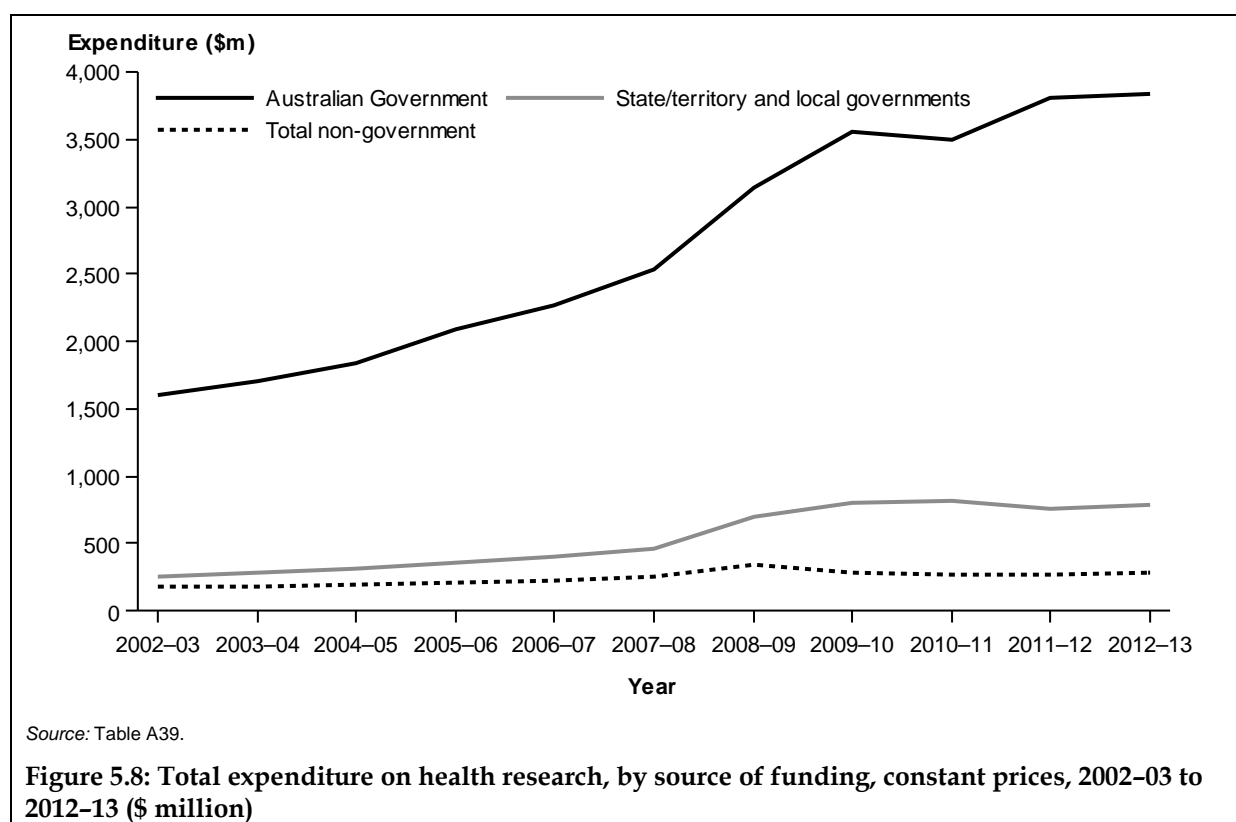
State and territory government expenditure in *Administration* has generally trended down since 2004-05. In 2012-13, the state and territory government *Administration* expenditure was \$0.2 billion, which was the lowest in the 10-year period (Table A38 and Figure 5.7).





## Research

The 5-year average annual growth rate for *Research* expenditure from 2002-03 to 2007-08 of 9.9% was higher than the 5-year growth rate from 2007-08 to 2012-13 of 8.7%. The growth was driven by expenditure in research from both the Australian Government and the state and territory governments. State and territory government *Research* expenditure growth has slowed since 2009-10, with expenditure increasing from \$809 million in 2009-10 to \$823 million in 2010-11. It then decreased to \$755 million in 2011-12 before increasing to \$790 million in 2012-13 (Table A39 and Figure 5.8).



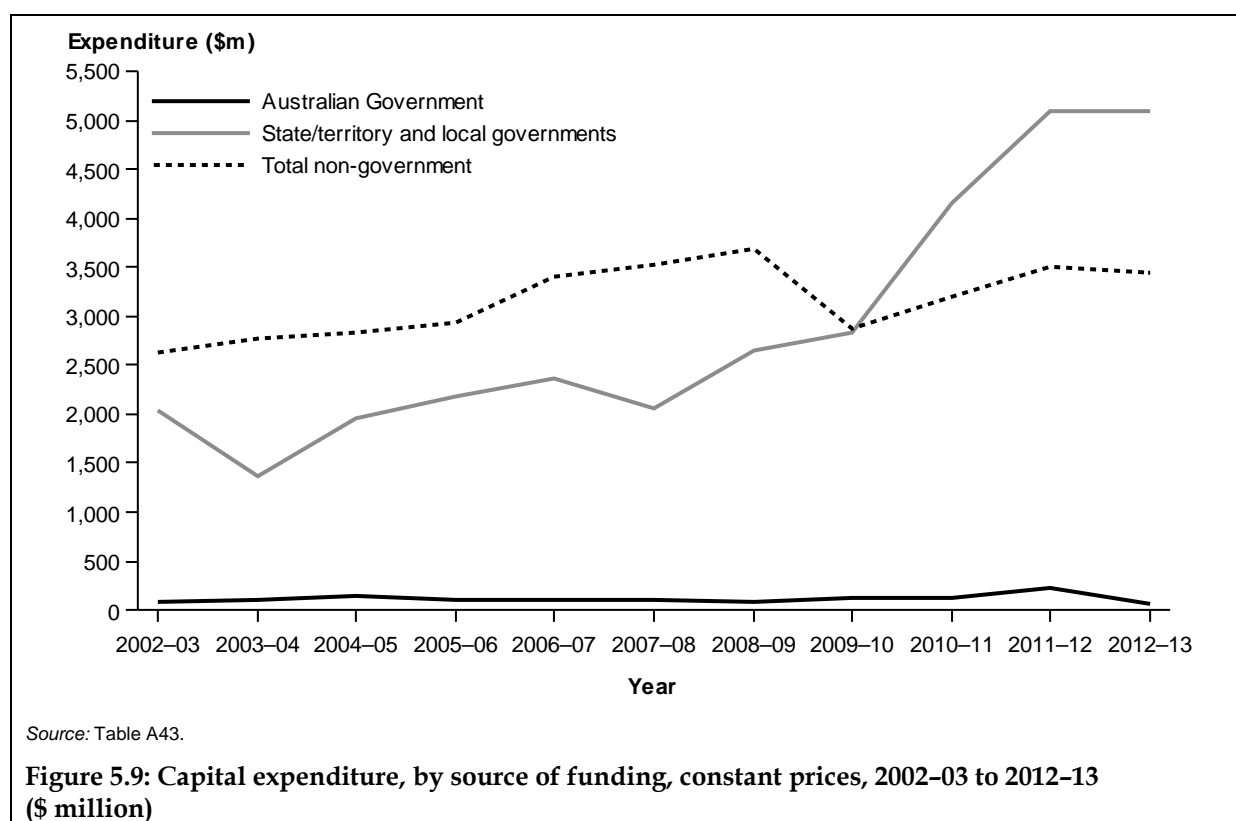
## 5.3 Capital expenditure

Capital expenditure on health facilities and investments in 2012-13 was \$8.6 billion, or 5.8% of total health expenditure (Tables A1 and A43).

In 2012-13, the state and territory government contributed \$5.1 billion, which was up from \$2.0 billion in 2002-03.

The Australian Government's capital funding was mostly by way of grants and subsidies to other levels of government or to non-government organisations. In 2002-03, the Australian Government contributed \$80 million. This increased to \$217 million in 2012-13 before dropping to \$72 million in 2012-13, the lowest in the 10-year period (Table A43 and Figure 5.9).

*Capital expenditure* by the non-government sector increased steadily from \$2.6 billion in 2002-03 to \$3.7 billion in 2008-09. It then dropped to \$2.9 billion in 2009-10 before increasing again to \$3.4 billion in 2012-13.



# Appendix A: Source tables

Table A1: Total expenditure on health, by broad area of expenditure, and share of recurrent health expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13

Year	Hospitals <sup>(b)</sup>		Primary health care <sup>(c)</sup>		Other <sup>(d)</sup>		Total recurrent		Capital expenditure	Total expenditure
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Amount (\$m)
2002–03	34,320	40.2	32,678	38.3	18,309	21.4	85,307	100.0	4,736	90,042
2003–04	35,744	40.2	33,859	38.1	19,132	21.5	88,735	100.0	4,224	92,960
2004–05	37,859	40.2	35,888	38.1	20,241	21.5	93,988	100.0	4,933	98,921
2005–06	39,202	40.7	36,267	37.6	20,800	21.6	96,269	100.0	5,209	101,478
2006–07	41,387	40.7	38,387	37.7	21,861	21.5	101,634	100.0	5,879	107,513
2007–08	43,991	40.3	41,526	38.1	23,388	21.4	108,905	100.0	5,692	114,596
2008–09	47,327	40.5	43,392	37.1	25,960	22.2	116,679	100.0	6,423	123,103
2009–10	49,493	40.4	45,825	37.4	27,157	22.1	122,475	100.0	5,832	128,308
2010–11	52,470	40.5	48,803	37.7	28,100	21.7	129,372	100.0	7,502	136,874
2011–12	55,106	40.4	51,535	37.7	29,720	21.7	136,361	100.0	8,814	145,175
2012–13	55,943	40.3	52,948	38.1	29,886	21.5	138,777	100.0	8,607	147,384

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) Includes public hospital services and private hospitals.

(c) Includes medications, non-referred medical services, dental services, *other health practitioner services*, community health and public health.

(d) Includes research, aids and appliances, patient transport services, referred medical services and administration.

Source: AIHW health expenditure database.

**Table A2: Australian Government funding of health, by broad area of expenditure, and share of Australian Government recurrent health expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Hospitals <sup>(b)</sup>		Primary health care <sup>(c)</sup>		Other <sup>(d)</sup>		Total recurrent		Capital expenditure	Total expenditure
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Amount (\$m)
2002–03	14,486	37.0	13,662	34.9	10,972	28.0	39,120	100.0	80	39,199
2003–04	14,654	36.4	14,158	35.2	11,384	28.3	40,196	100.0	103	40,299
2004–05	15,294	35.7	15,310	35.7	12,165	28.4	42,770	100.0	140	42,909
2005–06	15,219	35.4	15,104	35.1	12,590	29.3	42,914	100.0	101	43,015
2006–07	15,600	34.8	16,041	35.8	13,108	29.2	44,749	100.0	114	44,863
2007–08	16,994	34.3	18,228	36.8	14,196	28.7	49,418	100.0	106	49,524
2008–09	18,812	35.0	19,260	35.8	15,579	29.0	53,650	100.0	91	53,741
2009–10	18,379	33.2	20,620	37.2	16,286	29.4	55,285	100.0	130	55,415
2010–11	19,952	34.1	21,949	37.5	16,536	28.2	58,438	100.0	133	58,571
2011–12	20,525	33.2	23,214	37.6	17,998	29.1	61,737	100.0	217	61,954
2012–13	19,876	32.8	22,779	37.6	17,873	29.5	60,529	100.0	72	60,601

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) Includes public hospital services and private hospitals.

(c) Includes medications, non-referred medical services, dental services, *other health practitioner services*, community health and public health.

(d) Includes research, aids and appliances, patient transport services, referred medical services and administration.

Source: AIHW health expenditure database.

**Table A3: Ratio of Australian Government funding of health expenditure to tax revenue, current prices, 2002–03 to 2012–13**

<b>Year</b>	<b>Australian Government funding of health expenditure (\$m)</b>	<b>Australian Government tax revenue<sup>(a)</sup> (\$m)</b>	<b>Ratio (%)</b>
2002–03	29,833	139,109	21.4
2003–04	31,841	150,685	21.1
2004–05	35,268	166,512	21.1
2005–06	36,812	178,264	20.6
2006–07	39,572	192,566	20.5
2007–08	44,473	209,033	21.2
2008–09	49,678	198,541	25.0
2009–10	52,536	183,176	28.6
2010–11	56,201	200,876	27.9
2011–12	60,551	224,832	26.9
2012–13	60,601	244,355	24.8

(a) Taxation revenue is adjusted to take into account the level of government at which revenue is used rather than collected.

Sources: AIHW health expenditure database; ABS 2014b.

**Table A4: State and territory government funding of health, by broad area of expenditure, and share of state and territory government recurrent health expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Hospitals <sup>(b)</sup>		Primary health care <sup>(c)</sup>		Other <sup>(d)</sup>		Total recurrent		Capital expenditure	Total expenditure
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Amount (\$m)
2002–03	13,497	64.1	5,850	27.7	1,699	8.0	21,046	100.0	2,037	23,083
2003–04	14,569	67.0	5,177	23.8	1,988	9.1	21,734	100.0	1,357	23,090
2004–05	15,564	67.2	5,338	23.0	2,232	9.6	23,134	100.0	1,958	25,092
2005–06	16,835	68.4	5,615	22.8	2,141	8.7	24,592	100.0	2,184	26,775
2006–07	18,247	68.8	6,074	22.9	2,198	8.2	26,519	100.0	2,362	28,881
2007–08	19,119	68.3	6,543	23.4	2,293	8.2	27,955	100.0	2,056	30,011
2008–09	18,955	66.1	6,825	23.8	2,879	10.0	28,658	100.0	2,645	31,303
2009–10	21,293	68.4	6,750	21.6	3,069	9.8	31,112	100.0	2,834	33,946
2010–11	21,852	68.2	6,898	21.5	3,273	10.2	32,023	100.0	4,165	36,188
2011–12	23,597	69.1	7,310	21.4	3,211	9.4	34,118	100.0	5,090	39,208
2012–13	24,112	69.5	7,463	21.5	3,092	8.9	34,668	100.0	5,099	39,767

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) Includes public hospital services and private hospitals.

(c) Includes medications, non-referred medical services, dental services, *other health practitioner services*, community health and public health.

(d) Includes research, aids and appliances, patient transport services, referred medical services and administration.

Source: AIHW health expenditure database.

**Table A5: Ratio of state and territory government funding of health expenditure to tax revenue, current prices, 2002–03 to 2012–13**

<b>Year</b>	<b>State and territory government funding of health expenditure (\$m)</b>	<b>State and territory government tax revenue<sup>(a)</sup> (\$m)</b>	<b>Ratio (%)</b>
2002–03	16,780	94,744	17.7
2003–04	17,349	102,006	17.0
2004–05	19,426	107,677	18.0
2005–06	21,907	114,598	19.1
2006–07	24,485	122,136	20.0
2007–08	26,379	132,687	19.8
2008–09	28,493	134,350	21.2
2009–10	31,870	141,517	22.5
2010–11	34,490	150,196	22.9
2011–12	38,224	156,677	24.3
2012–13	39,767	161,887	24.5

(a) Taxation revenue is adjusted to take into account the level of government at which revenue is used rather than collected.

Sources: AIHW health expenditure database; ABS 2014b.



**Table A6: Non-government<sup>(a)</sup> funding of health, by broad area of expenditure, and share of non-government recurrent health expenditure, constant prices<sup>(b)</sup>, 2002–03 to 2012–13**

Year	Hospitals <sup>(c)</sup>		Primary health care <sup>(d)</sup>		Other <sup>(e)</sup>		Total recurrent		Capital expenditure	Total expenditure
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Amount (\$m)
2002–03	6,338	25.2	13,165	52.3	5,638	22.4	25,141	100.0	2,619	27,760
2003–04	6,521	24.3	14,524	54.1	5,761	21.4	26,806	100.0	2,764	29,570
2004–05	7,001	24.9	15,239	54.2	5,844	20.8	28,084	100.0	2,836	30,920
2005–06	7,147	24.8	15,548	54.0	6,068	21.0	28,764	100.0	2,925	31,688
2006–07	7,539	24.8	16,272	53.5	6,555	21.5	30,366	100.0	3,403	33,769
2007–08	7,878	24.9	16,755	53.1	6,899	21.8	31,531	100.0	3,530	35,061
2008–09	9,560	27.8	17,307	50.3	7,503	21.8	34,371	100.0	3,687	38,058
2009–10	9,821	27.2	18,455	51.1	7,802	21.6	36,078	100.0	2,868	38,946
2010–11	10,665	27.4	19,956	51.2	8,290	21.3	38,911	100.0	3,203	42,114
2011–12	10,984	27.1	21,012	51.8	8,510	21.0	40,506	100.0	3,506	44,013
2012–13	11,954	27.4	22,706	52.1	8,920	20.4	43,580	100.0	3,436	47,016

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(c) Includes public hospital services and private hospitals.

(d) Includes medications, non-referred medical services, dental services, *other health practitioner services*, community health and public health.

(e) Includes research, aids and appliances, patient transport services, referred medical services and administration.

Source: AIHW health expenditure database.

**Table A7: Ratio of non-government funding of health expenditure, per person, to individual net worth, current prices, 2002–03 to 2012–13**

<b>Year</b>	<b>Non-government funding of health expenditure per person (\$)</b>	<b>Individual net worth (\$)</b>	<b>Ratio (%)</b>
2002–03	1,132	184,382	0.61
2003–04	1,227	206,787	0.59
2004–05	1,315	223,237	0.58
2005–06	1,377	246,087	0.55
2006–07	1,497	276,790	0.54
2007–08	1,556	277,382	0.56
2008–09	1,688	259,531	0.65
2009–10	1,725	291,773	0.59
2010–11	1,846	294,103	0.62
2011–12	1,917	292,123	0.65
2012–13	2,051	308,364	0.66

Sources: AIHW health expenditure database; ABS 2012; ABS 2014a.

**Table A8: Australian Government funding of total health expenditure, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	2,037	1,956	1,969	1,952	2,122	1,972	2,110	1,804	1,999
2003–04	2,047	1,989	2,021	1,993	2,143	2,033	2,295	1,969	2,033
2004–05	2,168	2,085	2,140	2,089	2,256	2,092	2,334	2,060	2,141
2005–06	2,139	2,065	2,123	2,025	2,257	2,093	2,296	2,270	2,118
2006–07	2,198	2,141	2,163	2,059	2,301	2,120	2,462	2,377	2,175
2007–08	2,400	2,325	2,299	2,204	2,474	2,466	2,700	2,715	2,356
2008–09	2,573	2,497	2,412	2,280	2,630	2,604	2,750	2,861	2,502
2009–10	2,631	2,500	2,435	2,287	2,689	2,757	2,638	2,982	2,534
2010–11	2,705	2,639	2,593	2,381	2,776	2,757	2,753	2,930	2,642
2011–12	2,818	2,751	2,721	2,397	2,901	2,752	2,974	3,519	2,751
2012–13	2,765	2,650	2,604	2,265	2,718	2,792	2,557	2,785	2,644
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	3.3	3.5	3.1	2.5	3.1	4.6	5.1	8.5	3.3
2007–08 to 2012–13	2.9	2.7	2.5	0.6	1.9	2.5	–1.1	0.5	2.3
2002–03 to 2012–13	3.1	3.1	2.8	1.5	2.5	3.5	1.9	4.4	2.8

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A9: State and territory government funding of total health expenditure, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	1,070	1,239	1,169	1,202	1,192	1,002	1,740	2,528	1,177
2003–04	1,188	1,013	1,123	1,254	1,284	967	1,652	2,768	1,165
2004–05	1,300	1,055	1,116	1,422	1,511	1,068	1,877	2,851	1,252
2005–06	1,330	1,158	1,289	1,390	1,467	1,194	1,982	2,824	1,318
2006–07	1,345	1,203	1,496	1,540	1,533	1,328	2,006	2,944	1,400
2007–08	1,325	1,157	1,617	1,611	1,688	1,385	2,027	3,046	1,428
2008–09	1,303	1,160	1,715	1,655	1,781	1,331	2,257	3,254	1,458
2009–10	1,350	1,253	1,917	1,676	1,924	1,360	2,492	3,101	1,553
2010–11	1,384	1,323	1,918	1,933	1,956	1,784	2,702	3,918	1,632
2011–12	1,436	1,323	2,093	2,274	2,103	1,685	2,959	4,607	1,741
2012–13	1,529	1,349	2,036	2,158	1,986	1,275	2,852	4,567	1,735
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	4.4	–1.3	6.7	6.0	7.2	6.7	3.1	3.8	3.9
2007–08 to 2012–13	2.9	3.1	4.7	6.0	3.3	–1.7	7.1	8.4	4.0
2002–03 to 2012–13	3.6	0.9	5.7	6.0	5.2	2.4	5.1	6.1	4.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A10: Non-government<sup>(a)</sup> funding of total health expenditure, per person, constant prices<sup>(b)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	1,378	1,629	1,310	1,412	1,228	1,360	1,462	1,011	1,416
2003–04	1,466	1,613	1,458	1,521	1,346	1,321	1,624	1,003	1,491
2004–05	1,503	1,696	1,442	1,634	1,426	1,395	1,717	1,078	1,542
2005–06	1,489	1,719	1,450	1,747	1,377	1,592	1,732	1,326	1,560
2006–07	1,599	1,770	1,597	1,763	1,431	1,439	1,638	1,173	1,637
2007–08	1,655	1,690	1,661	1,805	1,677	1,406	1,516	1,149	1,668
2008–09	1,761	1,879	1,799	1,848	1,503	1,527	1,523	1,185	1,772
2009–10	1,797	1,955	1,724	1,811	1,518	1,419	1,478	1,138	1,781
2010–11	1,912	2,098	1,786	1,952	1,643	1,649	1,640	1,238	1,899
2011–12	1,978	2,203	1,823	1,851	1,672	1,979	1,638	1,360	1,954
2012–13	2,100	2,256	1,882	1,992	1,783	2,207	1,811	1,508	2,051
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	3.7	0.7	4.9	5.0	6.4	0.7	0.7	2.6	3.3
2007–08 to 2012–13	4.9	5.9	2.5	2.0	1.2	9.4	3.6	5.6	4.2
2002–03 to 2012–13	4.3	3.3	3.7	3.5	3.8	5.0	2.2	4.1	3.8

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A11: Total expenditure on hospitals, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	14,486	..	13,497	..	27,982	..	4,054	..	623	..	1,661	..	6,338	..	34,320	..
2003–04	14,654	1.2	14,569	7.9	29,223	4.4	4,286	5.7	574	–7.9	1,660	–0.0	6,521	2.9	35,744	4.1
2004–05	15,294	4.4	15,564	6.8	30,858	5.6	4,425	3.2	703	22.4	1,873	12.8	7,001	7.4	37,859	5.9
2005–06	15,219	–0.5	16,835	8.2	32,054	3.9	4,445	0.4	780	10.9	1,923	2.7	7,147	2.1	39,202	3.5
2006–07	15,600	2.5	18,247	8.4	33,847	5.6	4,692	5.6	739	–5.3	2,108	9.7	7,539	5.5	41,387	5.6
2007–08	16,994	8.9	19,119	4.8	36,113	6.7	4,914	4.7	929	25.8	2,035	–3.5	7,878	4.5	43,991	6.3
2008–09	18,812	10.7	18,955	–0.9	37,767	4.6	5,435	10.6	2,103	126.3	2,022	–0.6	9,560	21.4	47,327	7.6
2009–10	18,379	–2.3	21,293	12.3	39,672	5.0	5,504	1.3	2,312	9.9	2,005	–0.8	9,821	2.7	49,493	4.6
2010–11	19,952	8.6	21,852	2.6	41,804	5.4	5,855	6.4	2,643	14.3	2,167	8.1	10,665	8.6	52,470	6.0
2011–12	20,525	2.9	23,597	8.0	44,122	5.5	6,065	3.6	2,521	–4.6	2,398	10.7	10,984	3.0	55,106	5.0
2012–13	19,876	–3.2	24,112	2.2	43,989	–0.3	6,637	9.4	2,803	11.2	2,514	4.9	11,954	8.8	55,943	1.5
<b>Average annual growth rate (%)</b>																
2002–03 to 2007–08	..	3.2	..	7.2	..	5.2	..	3.9	..	8.3	..	4.1	..	4.4	..	5.1
2007–08 to 2012–13	..	3.2	..	4.7	..	4.0	..	6.2	..	24.7	..	4.3	..	8.7	..	4.9
2002–03 to 2012–13	..	3.2	..	6.0	..	4.6	..	5.1	..	16.2	..	4.2	..	6.6	..	5.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A12: Total expenditure on public hospitals, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	11,855	..	13,097	..	24,952	..	418	..	421	..	1,017	..	1,857	..	26,809	..
2003–04	11,911	0.5	14,281	9.0	26,192	5.0	454	8.6	234	–44.5	1,011	–0.6	1,699	–8.5	27,890	4.0
2004–05	12,421	4.3	15,269	6.9	27,690	5.7	506	11.5	368	57.4	1,169	15.6	2,043	20.3	29,733	6.6
2005–06	12,311	–0.9	16,527	8.2	28,837	4.1	521	2.9	430	16.9	1,192	2.0	2,143	4.9	30,981	4.2
2006–07	12,650	2.8	17,944	8.6	30,594	6.1	569	9.4	290	–32.5	1,476	23.8	2,336	9.0	32,930	6.3
2007–08	13,786	9.0	18,803	4.8	32,589	6.5	606	6.4	542	86.6	1,378	–6.7	2,525	8.1	35,114	6.6
2008–09	15,601	13.2	18,551	–1.3	34,152	4.8	684	12.8	1,082	99.8	1,192	–13.5	2,957	17.1	37,110	5.7
2009–10	14,835	–4.9	20,881	12.6	35,716	4.6	687	0.4	998	–7.8	1,339	12.4	3,024	2.2	38,740	4.4
2010–11	16,285	9.8	21,373	2.4	37,658	5.4	707	2.9	1,222	22.5	1,521	13.6	3,450	14.1	41,108	6.1
2011–12	16,600	1.9	23,085	8.0	39,686	5.4	776	9.9	1,149	–6.0	1,677	10.2	3,602	4.4	43,288	5.3
2012–13	16,242	–2.2	23,655	2.5	39,897	0.5	904	16.5	1,305	13.6	1,754	4.6	3,963	10.0	43,860	1.3
<b>Average annual growth rate (%)</b>																
2002–03 to 2007–08	..	3.1	..	7.5	..	5.5	..	7.7	..	5.1	..	6.3	..	6.3	..	5.5
2007–08 to 2012–13	..	3.3	..	4.7	..	4.1	..	8.3	..	19.2	..	4.9	..	9.4	..	4.5
2002–03 to 2012–13	..	3.2	..	6.1	..	4.8	..	8.0	..	12.0	..	5.6	..	7.9	..	5.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A13: Total expenditure on private hospitals, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	2,630	..	400	..	3,030	..	3,636	..	202	..	643	..	4,481	..	7,511	..
2003–04	2,743	4.3	288	–27.9	3,032	0.1	3,833	5.4	341	68.5	649	0.9	4,822	7.6	7,854	4.6
2004–05	2,873	4.7	295	2.5	3,168	4.5	3,919	2.2	335	–1.7	704	8.5	4,958	2.8	8,126	3.5
2005–06	2,908	1.2	309	4.5	3,217	1.5	3,924	0.1	350	4.4	730	3.7	5,004	0.9	8,221	1.2
2006–07	2,950	1.4	303	–1.9	3,253	1.1	4,123	5.1	449	28.3	632	–13.5	5,203	4.0	8,456	2.9
2007–08	3,208	8.7	316	4.4	3,524	8.3	4,308	4.5	388	–13.6	657	3.9	5,353	2.9	8,877	5.0
2008–09	3,211	0.1	403	27.6	3,615	2.6	4,752	10.3	1,021	163.4	830	26.4	6,603	23.4	10,217	15.1
2009–10	3,544	10.4	412	2.2	3,957	9.5	4,817	1.4	1,313	28.7	666	–19.8	6,797	2.9	10,753	5.2
2010–11	3,667	3.5	479	16.3	4,146	4.8	5,149	6.9	1,421	8.2	645	–3.1	7,215	6.2	11,361	5.7
2011–12	3,925	7.0	511	6.7	4,436	7.0	5,289	2.7	1,373	–3.4	721	11.7	7,382	2.3	11,818	4.0
2012–13	3,635	–7.4	457	–10.5	4,092	–7.8	5,733	8.4	1,497	9.1	760	5.5	7,991	8.2	12,083	2.2
<b>Average annual growth rate (%)</b>																
2002–03 to 2007–08	..	4.0	..	–4.6	..	3.1	..	3.5	..	13.9	..	0.4	..	3.6	..	3.4
2007–08 to 2012–13	..	2.5	..	7.7	..	3.0	..	5.9	..	31.0	..	3.0	..	8.3	..	6.4
2002–03 to 2012–13	..	3.3	..	1.4	..	3.1	..	4.7	..	22.2	..	1.7	..	6.0	..	4.9

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.



**Table A14: Australian Government funding of hospitals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	738	709	768	757	806	686	598	623	739
2003–04	735	707	774	763	790	718	603	691	739
2004–05	761	734	792	790	814	720	616	696	763
2005–06	748	716	780	751	818	713	605	822	749
2006–07	750	736	779	755	818	743	623	816	756
2007–08	804	784	820	803	865	925	724	854	809
2008–09	872	851	895	855	930	1,005	803	887	876
2009–10	843	801	857	828	889	1,017	751	914	841
2010–11	902	886	921	893	916	903	819	856	900
2011–12	915	911	925	855	946	903	893	950	911
2012–13	874	863	874	821	875	1,064	737	826	867
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	1.7	2.0	1.3	1.2	1.4	6.2	3.9	6.5	1.8
2007–08 to 2012–13	1.7	1.9	1.3	0.5	0.2	2.9	0.3	–0.7	1.4
2002–03 to 2012–13	1.7	2.0	1.3	0.8	0.8	4.5	2.1	2.9	1.6

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A15: Australian Government funding of public hospitals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	628	577	583	615	681	533	496	582	605
2003–04	619	574	580	616	670	559	502	650	601
2004–05	641	596	596	631	685	574	512	655	620
2005–06	629	576	585	597	686	569	503	779	606
2006–07	630	595	587	601	688	597	519	772	613
2007–08	677	632	617	637	724	770	610	807	656
2008–09	746	703	698	694	794	853	693	840	726
2009–10	705	640	645	657	743	854	634	863	678
2010–11	758	723	709	711	767	741	703	797	734
2011–12	759	741	706	672	794	736	718	890	737
2012–13	731	706	671	656	736	904	681	768	709
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	1.5	1.8	1.1	0.7	1.2	7.6	4.2	6.8	1.6
2007–08 to 2012–13	1.5	2.2	1.7	0.6	0.3	3.3	2.2	–1.0	1.6
2002–03 to 2012–13	1.5	2.0	1.4	0.7	0.8	5.4	3.2	2.8	1.6

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A16: Australian Government funding of private hospitals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	110	132	185	142	125	153	102	41	134
2003–04	116	133	193	148	120	159	101	41	138
2004–05	121	138	196	159	129	146	103	41	143
2005–06	119	141	195	154	132	143	102	43	143
2006–07	120	141	192	154	130	146	104	44	143
2007–08	126	152	203	166	141	155	114	47	153
2008–09	126	148	196	161	136	153	110	47	150
2009–10	139	161	212	172	146	164	117	51	162
2010–11	143	162	212	181	149	162	116	58	165
2011–12	155	170	220	183	152	167	175	60	174
2012–13	143	157	202	165	139	160	56	58	159
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	2.7	2.9	1.8	3.2	2.6	0.2	2.3	2.5	2.6
2007–08 to 2012–13	2.6	0.6	–0.0	–0.2	–0.3	0.7	–13.4	4.5	0.8
2002–03 to 2012–13	2.6	1.7	0.9	1.5	1.1	0.4	–5.9	3.5	1.7

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A17: Australian Government funding of public and private hospitals, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Public hospital services		Private hospitals		Total	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	11,855	81.8	2,630	18.1	14,486	100.0
2003–04	11,911	81.2	2,743	18.7	14,654	100.0
2004–05	12,421	81.2	2,873	18.7	15,294	100.0
2005–06	12,311	80.8	2,908	19.1	15,219	100.0
2006–07	12,650	81.0	2,950	18.9	15,600	100.0
2007–08	13,786	81.1	3,208	18.8	16,994	100.0
2008–09	15,601	82.9	3,211	17.0	18,812	100.0
2009–10	14,835	80.7	3,544	19.2	18,379	100.0
2010–11	16,285	81.6	3,667	18.3	19,952	100.0
2011–12	16,600	80.8	3,925	19.1	20,525	100.0
2012–13	16,242	81.7	3,635	18.2	19,876	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A18: State and territory government funding of hospitals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	681	734	611	746	618	546	891	1,282	688
2003–04	828	681	627	766	694	495	861	1,368	735
2004–05	929	689	593	806	787	549	884	1,409	776
2005–06	908	738	738	871	823	703	1,193	1,556	829
2006–07	922	729	894	960	934	811	1,308	1,661	885
2007–08	880	781	953	1,026	1,026	785	1,375	1,684	910
2008–09	850	742	930	1,037	986	731	1,482	1,479	883
2009–10	931	902	1,018	1,029	1,070	782	1,592	1,411	974
2010–11	916	967	913	1,087	1,112	1,052	1,671	1,849	986
2011–12	970	947	967	1,303	1,293	1,018	1,787	2,006	1,048
2012–13	962	989	997	1,271	1,242	852	1,743	2,129	1,052
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	5.3	1.2	9.3	6.6	10.7	7.5	9.1	5.6	5.7
2007–08 to 2012–13	1.8	4.8	0.9	4.4	3.9	1.6	4.9	4.8	2.9
2002–03 to 2012–13	3.5	3.0	5.0	5.5	7.2	4.5	6.9	5.2	4.3

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A19: State and territory government funding of public hospitals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	664	733	602	630	615	489	891	1,270	668
2003–04	828	681	619	651	691	445	861	1,368	720
2004–05	929	689	583	694	784	491	884	1,408	762
2005–06	908	738	729	745	820	677	1,192	1,555	814
2006–07	922	729	884	845	930	771	1,308	1,659	870
2007–08	880	781	947	901	1,023	752	1,375	1,682	895
2008–09	850	728	923	912	983	702	1,480	1,473	864
2009–10	931	887	1,012	902	1,067	756	1,592	1,407	955
2010–11	916	952	907	935	1,109	1,029	1,668	1,843	964
2011–12	970	932	960	1,140	1,290	1,018	1,774	2,001	1,025
2012–13	962	989	987	1,110	1,239	852	1,734	2,129	1,032
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	5.8	1.3	9.5	7.4	10.7	9.0	9.1	5.8	6.0
2007–08 to 2012–13	1.8	4.8	0.8	4.3	3.9	2.5	4.8	4.8	2.9
2002–03 to 2012–13	3.8	3.0	5.1	5.8	7.3	5.7	6.9	5.3	4.4

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A20: State and territory government funding of public hospitals, and the public hospitals share of state and territory government funding for all hospitals, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13**

Year	NSW		Vic		Qld		WA		SA		Tas		ACT		NT		Australia	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	4,381	97.5	3,554	99.9	2,229	98.6	1,222	84.4	932	99.5	233	89.6	290	100.0	256	99.0	13,097	97.0
2003–04	5,496	100.0	3,336	100.0	2,344	98.6	1,279	84.8	1,053	99.5	214	89.8	282	100.0	276	99.9	14,281	98.0
2004–05	6,194	100.0	3,415	100.0	2,259	98.4	1,384	86.0	1,201	99.5	238	89.2	291	100.0	287	99.9	15,269	98.1
2005–06	6,100	100.0	3,707	100.0	2,890	98.7	1,513	85.5	1,266	99.6	331	96.3	398	99.9	322	99.9	16,527	98.1
2006–07	6,259	100.0	3,719	100.0	3,587	98.9	1,755	88.0	1,452	99.5	379	95.1	443	99.9	350	99.9	17,944	98.3
2007–08	6,057	100.0	4,058	100.0	3,939	99.3	1,923	87.7	1,615	99.6	373	95.7	473	100.0	364	99.8	18,803	98.3
2008–09	5,953	100.0	3,868	98.0	3,946	99.2	2,015	87.9	1,570	99.6	352	96.0	520	99.8	328	99.5	18,551	97.8
2009–10	6,612	100.0	4,809	98.3	4,419	99.4	2,041	87.6	1,727	99.7	383	96.5	570	99.9	321	99.7	20,881	98.0
2010–11	6,579	100.0	5,231	98.4	4,025	99.3	2,169	86.0	1,810	99.7	525	97.8	609	99.8	425	99.6	21,373	97.8
2011–12	7,047	100.0	5,201	98.4	4,340	99.3	2,728	87.5	2,125	99.7	521	100.0	658	99.2	466	99.7	23,085	97.8
2012–13	7,076	100.0	5,619	100.0	4,550	98.9	2,752	87.3	2,059	99.7	436	100.0	655	99.4	508	100.0	23,655	98.1

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A21: Non-government<sup>(a)</sup> funding of hospitals, per person, constant prices<sup>(b)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	324	348	297	318	301	372	357	236	323
2003–04	337	357	290	323	303	350	399	226	329
2004–05	362	385	306	340	309	321	428	208	349
2005–06	338	391	337	362	315	346	374	324	352
2006–07	369	403	342	369	316	337	337	265	366
2007–08	372	392	358	397	357	387	371	286	375
2008–09	433	475	456	448	399	473	362	314	445
2009–10	438	496	465	454	383	329	305	272	449
2010–11	464	530	514	494	396	351	307	267	481
2011–12	483	549	549	347	414	463	310	283	488
2012–13	517	540	584	458	455	496	439	334	521
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	2.8	2.4	3.8	4.5	3.5	0.8	0.8	3.9	3.0
2007–08 to 2012–13	6.8	6.6	10.3	2.9	5.0	5.1	3.4	3.1	6.8
2002–03 to 2012–13	4.8	4.5	7.0	3.7	4.2	2.9	2.1	3.5	4.9

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.



**Table A22: Non-government<sup>(a)</sup> funding of public hospital services, per person, constant prices<sup>(b)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	129	106	44	69	53	137	109	67	95
2003–04	123	106	26	48	49	86	145	35	86
2004–05	141	133	31	70	52	78	190	29	102
2005–06	127	144	46	88	53	97	171	85	106
2006–07	140	149	59	85	62	93	155	68	113
2007–08	146	137	77	90	99	104	212	72	120
2008–09	162	168	94	116	111	132	48	67	138
2009–10	169	164	110	102	101	51	49	62	138
2010–11	179	183	140	131	103	69	55	54	156
2011–12	184	196	178	47	111	81	61	40	160
2012–13	196	165	197	149	132	84	61	80	173
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	2.5	5.2	11.6	5.5	13.5	–5.4	14.3	1.7	4.9
2007–08 to 2012–13	6.1	3.8	20.6	10.6	5.8	–4.1	–22.1	2.1	7.5
2002–03 to 2012–13	4.3	4.5	16.0	8.0	9.6	–4.8	–5.7	1.9	6.2

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A23: Non-government<sup>(a)</sup> funding of public hospitals, and the public hospital share of non-government funding for all hospitals, constant prices<sup>(b)</sup>, by state and territory, 2002–03 to 2012–13**

Year	NSW		Vic		Qld		WA		SA		Tas		ACT		NT		Australia	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	849	39.7	516	30.5	165	14.9	133	21.5	80	17.4	65	36.9	35	30.4	13	28.2	1,857	29.2
2003–04	815	36.5	520	29.7	97	8.8	95	15.0	75	16.2	41	24.5	47	36.3	7	15.6	1,699	26.0
2004–05	940	38.8	657	34.4	120	10.1	140	20.6	79	16.7	38	24.2	63	44.3	6	14.0	2,043	29.1
2005–06	851	37.5	725	36.9	183	13.7	179	24.3	83	16.9	47	27.9	57	45.6	18	26.1	2,143	29.9
2006–07	951	38.0	761	36.9	239	17.2	176	23.0	97	19.6	46	27.5	52	46.0	14	25.8	2,336	30.9
2007–08	1,003	39.1	713	35.0	321	21.5	192	22.6	156	27.7	52	26.8	73	57.1	16	25.2	2,525	32.0
2008–09	1,136	37.5	890	35.3	400	20.5	256	25.9	177	27.7	66	27.8	17	13.1	15	21.3	2,957	30.9
2009–10	1,202	38.6	889	33.0	480	23.6	231	22.5	164	26.3	26	15.5	17	15.9	14	22.7	3,024	30.7
2010–11	1,287	38.6	1,004	34.4	621	27.2	303	26.4	168	26.0	35	19.6	20	18.0	13	20.3	3,450	32.3
2011–12	1,338	38.1	1,092	35.6	806	32.4	111	13.4	182	26.6	41	17.4	23	19.7	9	14.1	3,602	32.7
2012–13	1,443	37.9	939	30.5	908	33.7	369	32.5	219	28.9	43	16.9	23	13.8	19	24.0	3,963	33.1

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A24: Private health insurance funding of public and private hospitals, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Public hospital services		Private hospitals		Total	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	418	10.3	3,636	89.6	4,054	100.0
2003–04	454	10.5	3,833	89.4	4,286	100.0
2004–05	506	11.4	3,919	88.5	4,425	100.0
2005–06	521	11.7	3,924	88.2	4,445	100.0
2006–07	569	12.1	4,123	87.8	4,692	100.0
2007–08	606	12.3	4,308	87.6	4,914	100.0
2008–09	684	12.5	4,752	87.4	5,435	100.0
2009–10	687	12.4	4,817	87.5	5,504	100.0
2010–11	707	12.0	5,149	87.9	5,855	100.0
2011–12	776	12.7	5,289	87.2	6,065	100.0
2012–13	904	13.6	5,733	86.3	6,637	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A25: Individuals' funding of public and private hospitals, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Public hospital services		Private hospitals		Total	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	421	67.5	202	32.4	623	100.0
2003–04	234	40.7	341	59.2	574	100.0
2004–05	368	52.3	335	47.6	703	100.0
2005–06	430	55.1	350	44.8	780	100.0
2006–07	290	39.2	449	60.7	739	100.0
2007–08	542	58.2	388	41.7	929	100.0
2008–09	1,082	51.4	1,021	48.5	2,103	100.0
2009–10	998	43.1	1,313	56.8	2,312	100.0
2010–11	1,222	46.2	1,421	53.7	2,643	100.0
2011–12	1,149	45.5	1,373	54.4	2,521	100.0
2012–13	1,305	46.5	1,497	53.4	2,803	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A26: Total expenditure on primary health care, by source of funding, and share of funding, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	13,662	41.8	5,850	17.9	19,513	59.7	1,459	4.4	10,085	30.8	1,621	4.9	13,165	40.2	32,678	100.0
2003–04	14,158	41.8	5,177	15.2	19,335	57.1	1,489	4.3	11,209	33.1	1,826	5.3	14,524	42.8	33,859	100.0
2004–05	15,310	42.6	5,338	14.8	20,648	57.5	1,461	4.0	11,951	33.3	1,828	5.0	15,239	42.4	35,888	100.0
2005–06	15,104	41.6	5,615	15.4	20,719	57.1	1,491	4.1	12,341	34.0	1,717	4.7	15,548	42.8	36,267	100.0
2006–07	16,041	41.7	6,074	15.8	22,115	57.6	1,543	4.0	13,062	34.0	1,667	4.3	16,272	42.3	38,387	100.0
2007–08	18,228	43.8	6,543	15.7	24,771	59.6	1,590	3.8	13,357	32.1	1,808	4.3	16,755	40.3	41,526	100.0
2008–09	19,260	44.3	6,825	15.7	26,084	60.1	1,713	3.9	13,837	31.8	1,757	4.0	17,307	39.8	43,392	100.0
2009–10	20,620	44.9	6,750	14.7	27,370	59.7	1,693	3.6	14,946	32.6	1,816	3.9	18,455	40.2	45,825	100.0
2010–11	21,949	44.9	6,898	14.1	28,847	59.1	1,752	3.5	16,387	33.5	1,816	3.7	19,956	40.8	48,803	100.0
2011–12	23,214	45.0	7,310	14.1	30,523	59.2	1,827	3.5	17,313	33.5	1,872	3.6	21,012	40.7	51,535	100.0
2012–13	22,779	43.0	7,463	14.0	30,242	57.1	2,108	3.9	18,517	34.9	2,080	3.9	22,706	42.8	52,948	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A27: Australian Government funding of primary health care, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	723	670	683	661	743	750	581	792	697
2003–04	733	688	701	676	763	780	682	876	714
2004–05	787	732	763	716	817	823	624	963	764
2005–06	765	713	743	688	806	810	632	934	744
2006–07	801	739	782	717	831	832	720	1,042	778
2007–08	895	835	852	786	921	934	870	1,340	867
2008–09	944	859	875	792	951	970	782	1,407	897
2009–10	987	906	928	815	1,017	1,054	773	1,512	943
2010–11	1,029	948	975	861	1,076	1,218	810	1,549	990
2011–12	1,061	980	1,035	889	1,138	1,168	973	1,753	1,031
2012–13	1,046	952	1,009	824	1,065	1,040	846	1,486	994
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	4.3	4.5	4.5	3.5	4.4	4.5	8.4	11.1	4.5
2007–08 to 2012–13	3.2	2.7	3.4	1.0	2.9	2.2	–0.6	2.1	2.8
2002–03 to 2012–13	3.8	3.6	4.0	2.2	3.7	3.3	3.8	6.5	3.6

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A28: State and territory government funding of primary health care, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	237	283	368	272	350	275	572	849	298
2003–04	221	210	268	358	316	249	511	976	261
2004–05	224	209	276	373	324	264	509	982	266
2005–06	254	218	303	302	321	257	492	1,032	276
2006–07	268	229	299	412	310	345	451	992	294
2007–08	271	233	348	398	352	420	494	1,088	311
2008–09	265	226	384	370	369	412	506	1,500	318
2009–10	229	217	431	347	390	377	536	1,133	309
2010–11	253	162	430	351	444	342	545	1,613	311
2011–12	258	160	478	345	487	316	548	1,677	325
2012–13	255	162	486	337	497	274	568	1,718	326
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	2.6	–3.8	–1.1	7.9	0.1	8.9	–2.9	5.1	0.9
2007–08 to 2012–13	–1.2	–7.1	6.9	–3.3	7.2	–8.2	2.8	9.6	0.9
2002–03 to 2012–13	0.7	–5.5	2.8	2.1	3.6	–0.0	–0.1	7.3	0.9

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.

**Table A29: Non-government<sup>(a)</sup> funding of primary health care, per person, constant prices<sup>(b)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	696	787	553	634	571	580	701	550	671
2003–04	759	833	625	692	665	600	785	582	733
2004–05	782	861	671	712	678	625	825	626	760
2005–06	784	871	672	717	700	634	817	619	765
2006–07	799	904	722	734	649	676	868	674	789
2007–08	813	875	736	800	684	685	787	671	797
2008–09	822	879	737	851	680	696	753	672	806
2009–10	882	934	755	825	729	707	774	651	844
2010–11	933	994	778	894	824	856	875	717	900
2011–12	941	1,055	809	942	837	973	896	749	933
2012–13	1,015	1,109	861	972	896	1,039	930	771	991
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	3.2	2.1	5.9	4.8	3.7	3.4	2.4	4.1	3.5
2007–08 to 2012–13	4.5	4.8	3.2	4.0	5.6	8.7	3.4	2.8	4.4
2002–03 to 2012–13	3.8	3.5	4.5	4.4	4.6	6.0	2.9	3.4	4.0

(a) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(b) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.



**Table A30: Total expenditure on primary health care, by area of expenditure and source of funding, current prices, 2012–13 (\$ million)**

Area of expenditure	Government						Non-government				Total recurrent expenditure
	Australian Government										
	DVA	Health and other <sup>(a)</sup>	Premium rebates <sup>(b)</sup>	Total	State and local	Total	Health insurance funds	Individuals	Other <sup>(c)</sup>	Total	
Medical services (non-referred)	838	7,419	..	8,257	..	8,257	..	661	1,248	1,909	10,166
Dental services	100	843	606	1,550	657	2,207	1,396	5,066	37	6,500	8,706
Other health practitioners	241	1,160	287	1,688	13	1,701	661	2,426	422	3,508	5,209
Community health and other <sup>(d)</sup>	1	1,181	—	1,182	5,909	7,092	1	153	198	352	7,444
Public health	..	1,150	..	1,150	884	2,034	..	13	96	109	2,143
Medications	429	8,501	22	8,952	..	8,952	50	10,198	80	10,328	19,280
Benefit-paid pharmaceuticals	429	7,994	..	8,423	..	8,423	..	1,547	..	1,547	9,970
All other medications	..	507	22	529	..	529	50	8,651	80	8,781	9,309
Total recurrent funding	1,608	20,255	915	22,779	7,463	30,242	2,108	18,517	2,080	22,706	52,948

(a) *Other* comprises other Australian Government expenditure on primary health care that is not funded by the Department of Health.

(b) Includes the 10–40% rebate on health insurance premiums that can be claimed either directly from the Australian Government through the taxation system or it may involve a reduced premium being charged by the private health insurance fund.

(c) *Other* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

(d) *Other* denotes 'other recurrent health services n.e.c.'.

Source: AIHW health expenditure database.

**Table A31: Total funding of primary health care expenditure, by area of expenditure, and share of total health expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Medical services		Dental services		Other health practitioners		Community health and other <sup>(b)</sup>		Public health		Benefit-paid pharmaceuticals		All other medications		Total recurrent funding	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	7,162	21.9	5,945	18.1	3,325	10.1	4,996	15.2	1,761	5.3	6,153	18.8	3,336	10.2	32,678	100.0
2003–04	7,221	21.3	6,160	18.1	3,504	10.3	4,738	13.9	1,766	5.2	6,722	19.8	3,749	11.0	33,859	100.0
2004–05	7,648	21.3	6,319	17.6	3,596	10.0	4,999	13.9	1,963	5.4	7,135	19.8	4,228	11.7	35,888	100.0
2005–06	7,383	20.3	6,409	17.6	3,721	10.2	5,178	14.2	1,908	5.2	7,352	20.2	4,315	11.8	36,267	100.0
2006–07	7,617	19.8	6,499	16.9	3,931	10.2	5,599	14.5	2,136	5.5	7,579	19.7	5,027	13.0	38,387	100.0
2007–08	8,400	20.2	6,636	15.9	4,055	9.7	6,179	14.8	2,590	6.2	8,171	19.6	5,494	13.2	41,526	100.0
2008–09	8,474	19.5	7,172	16.5	3,953	9.1	6,092	14.0	2,484	5.7	8,962	20.6	6,255	14.4	43,392	100.0
2009–10	8,989	19.6	7,908	17.2	4,208	9.1	6,297	13.7	2,145	4.6	9,630	21.0	6,649	14.5	45,825	100.0
2010–11	9,613	19.6	8,010	16.4	4,741	9.7	6,653	13.6	2,055	4.2	9,821	20.1	7,909	16.2	48,803	100.0
2011–12	9,824	19.0	8,477	16.4	4,908	9.5	7,307	14.1	2,312	4.4	10,142	19.6	8,565	16.6	51,535	100.0
2012–13	10,166	19.2	8,706	16.4	5,209	9.8	7,444	14.0	2,143	4.0	9,970	18.8	9,309	17.5	52,948	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other* denotes 'other recurrent health services n.e.c.'.

Source: AIHW health expenditure database.

**Table A32: Total expenditure on other recurrent areas of health spending, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	10,972	..	1,699	..	12,671	..	1,924	..	3,370	..	343	..	5,638	..	18,309	..
2003–04	11,384	3.8	1,988	17.0	13,371	5.5	1,963	2.0	3,481	3.3	317	–7.5	5,761	2.2	19,132	4.5
2004–05	12,165	6.9	2,232	12.3	14,397	7.7	1,961	–0.1	3,558	2.2	325	2.5	5,844	1.4	20,241	5.8
2005–06	12,590	3.5	2,141	–4.1	14,732	2.3	2,005	2.2	3,722	4.6	341	5.0	6,068	3.8	20,800	2.8
2006–07	13,108	4.1	2,198	2.6	15,306	3.9	2,146	7.0	4,056	9.0	352	3.3	6,555	8.0	21,861	5.1
2007–08	14,196	8.3	2,293	4.3	16,489	7.7	2,382	11.0	4,148	2.3	369	4.5	6,899	5.2	23,388	7.0
2008–09	15,579	9.7	2,879	25.6	18,457	11.9	2,535	6.4	4,467	7.7	501	35.9	7,503	8.8	25,960	11.0
2009–10	16,286	4.5	3,069	6.6	19,355	4.9	2,512	–0.9	4,827	8.1	463	–7.6	7,802	4.0	27,157	4.6
2010–11	16,536	1.5	3,273	6.6	19,810	2.3	2,702	7.6	5,147	6.6	441	–4.8	8,290	6.3	28,100	3.5
2011–12	17,998	8.8	3,211	–1.9	21,210	7.1	2,845	5.3	5,233	1.7	433	–1.8	8,510	2.7	29,720	5.8
2012–13	17,873	–0.7	3,092	–3.7	20,966	–1.1	3,103	9.1	5,373	2.7	444	2.6	8,920	4.8	29,886	0.6
<b>Average annual growth rate (%)</b>																
2002–03 to 2007–08	..	5.3	..	6.2	..	5.4	..	4.4	..	4.2	..	1.4	..	4.1	..	5.0
2007–08 to 2012–13	..	4.7	..	6.2	..	4.9	..	5.4	..	5.3	..	3.8	..	5.3	..	5.0
2002–03 to 2012–13	..	5.0	..	6.2	..	5.2	..	4.9	..	4.8	..	2.6	..	4.7	..	5.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A33: Total funding of other recurrent areas of health expenditure, by area of expenditure, and share of total other recurrent areas of health expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Patient transport services		Referred medical services		Aids and appliances		Administration		Research		Total
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)
2002–03	1,618	8.8	9,579	52.3	2,145	11.7	2,941	16.1	2,025	11.1	18,309
2003–04	1,774	9.3	9,871	51.6	2,226	11.6	3,085	16.1	2,176	11.4	19,132
2004–05	1,884	9.3	10,343	51.1	2,444	12.1	3,223	15.9	2,347	11.6	20,241
2005–06	1,875	9.0	10,636	51.1	2,546	12.2	3,092	14.9	2,651	12.7	20,800
2006–07	2,107	9.6	11,235	51.4	2,692	12.3	2,934	13.4	2,893	13.2	21,861
2007–08	2,288	9.8	12,046	51.5	2,695	11.5	3,116	13.3	3,242	13.9	23,388
2008–09	2,650	10.2	12,806	49.3	2,880	11.1	3,435	13.2	4,188	16.1	25,960
2009–10	2,766	10.2	13,371	49.2	3,240	11.9	3,141	11.6	4,639	17.1	27,157
2010–11	2,936	10.4	13,777	49.0	3,588	12.8	3,201	11.4	4,597	16.4	28,100
2011–12	3,079	10.4	14,575	49.0	3,695	12.4	3,530	11.9	4,840	16.3	29,720
2012–13	3,012	10.1	15,157	50.7	3,844	12.9	2,958	9.9	4,915	16.4	29,886

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A34: Total expenditure on patient transport services, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	173	..	902	..	1,075	..	129	..	303	..	111	..	544	..	1,618	..
2003–04	188	8.5	1,133	25.6	1,320	22.9	122	–5.8	233	–23.1	98	–11.7	453	–16.7	1,774	9.6
2004–05	206	9.8	1,219	7.6	1,425	7.9	124	2.2	240	2.8	95	–3.1	459	1.3	1,884	6.2
2005–06	197	–4.3	1,217	–0.2	1,414	–0.7	118	–5.5	254	6.2	89	–7.0	461	0.3	1,875	–0.5
2006–07	222	12.8	1,405	15.5	1,628	15.1	124	5.9	274	7.6	81	–8.7	479	4.0	2,107	12.4
2007–08	289	29.9	1,481	5.4	1,770	8.7	145	16.8	295	7.5	78	–3.4	518	8.1	2,288	8.6
2008–09	296	2.6	1,728	16.7	2,024	14.4	162	11.3	366	24.3	98	25.4	626	20.8	2,650	15.9
2009–10	301	1.5	1,799	4.1	2,100	3.7	167	3.3	378	3.4	121	23.5	667	6.5	2,766	4.4
2010–11	299	–0.5	1,976	9.8	2,275	8.4	172	2.7	382	1.0	107	–11.5	661	–0.8	2,936	6.1
2011–12	301	0.7	2,146	8.6	2,447	7.6	173	0.9	360	–5.8	99	–8.0	632	–4.4	3,079	4.9
2012–13	298	–1.2	2,067	–3.7	2,364	–3.4	195	12.7	353	–2.1	100	1.5	648	2.5	3,012	–2.2
<b>Average annual growth rate (%)</b>																
2002–03 to 2007–08	..	10.8	..	10.4	..	10.5	..	2.4	..	–0.6	..	–6.8	..	–1.0	..	7.2
2007–08 to 2012–13	..	0.6	..	6.9	..	6.0	..	6.1	..	3.7	..	5.1	..	4.6	..	5.7
2002–03 to 2012–13	..	5.6	..	8.6	..	8.2	..	4.2	..	1.5	..	–1.1	..	1.8	..	6.4

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A35: Total expenditure on referred medical services, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		Total government		Private health insurance		Individuals		Total non-government <sup>(b)</sup>		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	7,439	..	7,439	..	690	..	1,450	..	2,140	..	9,579	..
2003–04	7,597	2.1	7,597	2.1	744	7.7	1,530	5.5	2,274	6.2	9,871	3.1
2004–05	8,097	6.6	8,097	6.6	748	0.5	1,499	–2.0	2,247	–1.2	10,343	4.8
2005–06	8,289	2.4	8,289	2.4	775	3.6	1,572	4.9	2,347	4.4	10,636	2.8
2006–07	8,627	4.1	8,627	4.1	829	7.0	1,779	13.2	2,608	11.1	11,235	5.6
2007–08	9,244	7.1	9,244	7.1	908	9.6	1,894	6.5	2,802	7.5	12,046	7.2
2008–09	9,796	6.0	9,796	6.0	989	8.9	2,021	6.7	3,010	7.4	12,806	6.3
2009–10	10,185	4.0	10,185	4.0	1,008	2.0	2,177	7.7	3,186	5.8	13,371	4.4
2010–11	10,406	2.2	10,406	2.2	1,095	8.5	2,276	4.6	3,371	5.8	13,777	3.0
2011–12	11,058	6.3	11,058	6.3	1,150	5.0	2,368	4.0	3,518	4.3	14,575	5.8
2012–13	11,448	3.5	11,448	3.5	1,280	11.3	2,428	2.6	3,709	5.4	15,157	4.0
<b>Average annual growth rate (%)</b>												
2002–03 to 2007–08	..	4.4	..	4.4	..	5.6	..	5.5	..	5.5	..	4.7
2007–08 to 2012–13	..	4.4	..	4.4	..	7.1	..	5.1	..	5.8	..	4.7
2002–03 to 2012–13	..	4.4	..	4.4	..	6.4	..	5.3	..	5.7	..	4.7

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A36: Total expenditure on aids and appliances, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		Total government		Private health insurance		Individuals		Other non-government <sup>(b)</sup>		Total non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	226	..	226	..	247	..	1,617	..	54	..	1,919	..	2,145	..
2003–04	226	–0.1	226	–0.1	251	1.2	1,717	6.2	33	–39.7	2,001	4.3	2,226	3.8
2004–05	344	52.2	344	52.2	246	–1.7	1,819	5.9	34	5.4	2,100	5.0	2,444	9.8
2005–06	361	5.0	361	5.0	251	1.9	1,896	4.2	38	11.8	2,185	4.1	2,546	4.2
2006–07	380	5.2	380	5.2	269	7.2	2,004	5.7	40	4.6	2,313	5.8	2,692	5.8
2007–08	416	9.5	416	9.5	281	4.5	1,959	–2.2	39	–2.2	2,280	–1.4	2,695	0.1
2008–09	459	10.4	459	10.4	320	14.0	2,058	5.0	43	10.5	2,421	6.2	2,880	6.9
2009–10	557	21.4	557	21.4	364	13.7	2,272	10.4	47	7.4	2,683	10.8	3,240	12.5
2010–11	623	11.8	623	11.8	425	16.6	2,485	9.4	55	18.8	2,965	10.5	3,588	10.7
2011–12	674	8.2	674	8.2	457	7.6	2,500	0.6	65	16.8	3,021	1.9	3,695	3.0
2012–13	671	–0.4	671	–0.4	529	15.7	2,585	3.4	59	–8.4	3,172	5.0	3,844	4.0
<b>Average annual growth rate (%)</b>														
2002–03 to 2007–08	..	13.0	..	13.0	..	2.6	..	3.9	..	–6.2	..	3.5	..	4.7
2007–08 to 2012–13	..	10.1	..	10.1	..	13.5	..	5.7	..	8.6	..	6.8	..	7.4
2002–03 to 2012–13	..	11.5	..	11.5	..	7.9	..	4.8	..	0.9	..	5.2	..	6.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Other non-government* includes expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A37: Individuals' funding of aids and appliances, constant prices<sup>(a)</sup>, per person, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	55	101	82	136	89	74	54	42	83
2003–04	59	104	87	139	94	78	54	58	87
2004–05	60	108	91	158	96	81	54	60	91
2005–06	61	111	93	165	98	88	55	61	93
2006–07	63	114	97	177	100	94	58	66	97
2007–08	63	103	93	174	98	90	58	62	93
2008–09	61	115	93	187	82	93	55	66	96
2009–10	63	129	104	197	87	104	57	68	104
2010–11	67	142	111	211	93	108	60	76	112
2011–12	66	143	107	208	92	102	58	69	111
2012–13	67	147	109	205	95	105	60	67	113
<b>Average annual growth rate (%)</b>									
2002–03 to 2007–08	2.6	0.5	2.6	5.0	1.8	4.0	1.3	8.2	2.5
2007–08 to 2012–13	1.2	7.3	3.2	3.3	–0.5	3.0	0.9	1.5	3.9
2002–03 to 2012–13	1.9	3.8	2.9	4.2	0.7	3.5	1.1	4.8	3.2

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Sources: AIHW health expenditure database; ABS 2014a.



**Table A38: Total expenditure on health administration, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Total non-government <sup>(b)</sup>		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	1,535	..	549	..	2,084	..	857	..	2,941	..
2003–04	1,672	8.9	566	3.2	2,238	7.4	847	–1.2	3,085	4.9
2004–05	1,681	0.6	699	23.4	2,380	6.4	843	–0.5	3,223	4.5
2005–06	1,658	–1.4	572	–18.2	2,230	–6.3	862	2.3	3,092	–4.1
2006–07	1,618	–2.4	392	–31.5	2,010	–9.9	924	7.2	2,934	–5.1
2007–08	1,715	6.0	354	–9.7	2,069	2.9	1,048	13.4	3,116	6.2
2008–09	1,883	9.8	446	26.0	2,328	12.6	1,107	5.7	3,435	10.2
2009–10	1,689	–10.3	461	3.5	2,150	–7.7	991	–10.4	3,141	–8.6
2010–11	1,709	1.2	474	2.8	2,183	1.5	1,018	2.7	3,201	1.9
2011–12	2,152	25.9	311	–34.5	2,462	12.8	1,067	4.8	3,530	10.2
2012–13	1,619	–24.8	235	–24.2	1,855	–24.7	1,103	3.4	2,958	–16.2
<b>Average annual growth rate (%)</b>										
2002–03 to 2007–08	..	2.2	..	–8.4	..	–0.1	..	4.1	..	1.2
2007–08 to 2012–13	..	–1.1	..	–7.8	..	–2.2	..	1.0	..	–1.0
2002–03 to 2012–13	..	0.5	..	–8.1	..	–1.2	..	2.6	..	0.1

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A39: Total expenditure on health research, by source of funding, and annual growth rates, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total government		Total non-government <sup>(b)</sup>		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	1,599	..	249	..	1,848	..	177	..	2,025	..
2003–04	1,701	6.4	289	16.0	1,990	7.7	186	4.8	2,176	7.5
2004–05	1,837	8.0	314	8.9	2,152	8.1	195	4.9	2,347	7.9
2005–06	2,085	13.5	353	12.1	2,437	13.3	214	9.6	2,651	13.0
2006–07	2,261	8.4	400	13.6	2,661	9.2	231	8.1	2,893	9.1
2007–08	2,533	12.0	458	14.5	2,991	12.4	251	8.5	3,242	12.1
2008–09	3,144	24.1	705	53.8	3,849	28.7	339	34.9	4,188	29.2
2009–10	3,554	13.0	809	14.7	4,363	13.3	276	–18.5	4,639	10.8
2010–11	3,500	–1.5	823	1.7	4,323	–0.9	275	–0.5	4,597	–0.9
2011–12	3,813	9.0	755	–8.2	4,568	5.7	272	–1.1	4,840	5.3
2012–13	3,837	0.6	790	4.7	4,627	1.3	288	6.0	4,915	1.6
<b>Average annual growth rate (%)</b>										
2002–03 to 2007–08	..	9.6	..	13.0	..	10.1	..	7.2	..	9.9
2007–08 to 2012–13	..	8.7	..	11.5	..	9.1	..	2.8	..	8.7
2002–03 to 2012–13	..	9.1	..	12.3	..	9.6	..	5.0	..	9.3

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

**Table A40: Total funding for pharmaceuticals, per person, constant prices<sup>(a)</sup>, by state and territory, 2002–03 to 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	495	491	472	459	515	524	379	258	484
2003–04	532	543	532	487	554	565	410	289	528
2004–05	568	589	584	502	582	593	438	321	567
2005–06	576	600	584	513	596	614	438	324	574
2006–07	610	636	627	550	628	658	464	344	611
2007–08	652	665	663	602	676	702	513	372	650
2008–09	714	723	723	650	738	766	548	407	709
2009–10	753	758	759	673	784	811	578	427	744
2010–11	836	813	768	703	878	903	624	440	800
2011–12	866	829	809	747	898	1,059	589	450	831
2012–13	884	837	824	731	917	1,084	590	431	841

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A41: Medicare funding for primary health care, per person, constant prices<sup>(a)</sup>, by state and territory, 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	233	223	213	209	225	212	194	139	222
2003–04	229	218	213	205	221	206	196	137	218
2004–05	240	226	222	207	226	209	199	138	226
2005–06	255	241	236	218	245	223	209	144	241
2006–07	260	246	236	215	245	226	222	149	244
2007–08	277	266	251	225	261	243	237	158	260
2008–09	277	262	250	218	263	240	235	160	258
2009–10	285	272	261	225	278	252	243	168	268
2010–11	291	282	272	224	284	481	244	185	280
2011–12	300	288	281	227	292	271	252	190	282
2012–13	302	294	289	232	295	277	257	200	287

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A42: Medicare funding for other services, per person, constant prices<sup>(a)</sup>, by state and territory, 2012–13 (\$)**

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2002–03	528	485	468	466	463	449	439	241	489
2003–04	528	497	493	471	472	433	511	203	498
2004–05	552	507	520	479	487	436	535	210	516
2005–06	555	514	540	486	494	441	542	213	524
2006–07	581	539	552	501	513	457	573	206	545
2007–08	625	571	559	521	536	505	534	256	573
2008–09	646	620	571	521	557	508	548	263	596
2009–10	673	611	589	540	584	555	548	275	612
2010–11	671	623	622	537	601	534	626	236	621
2011–12	716	645	639	550	610	569	556	302	647
2012–13	730	660	656	552	621	601	581	328	661

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

**Table A43: Capital expenditure, by source of funds, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Australian Government		State/territory and local		Total non-government <sup>(b)</sup>		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
2002–03	80	..	2,037	..	2,619	..	4,736	..
2003–04	103	29.6	1,357	–33.4	2,764	5.5	4,224	–10.8
2004–05	140	35.2	1,958	44.3	2,836	2.6	4,933	16.8
2005–06	101	–27.6	2,184	11.5	2,925	3.1	5,209	5.6
2006–07	114	12.4	2,362	8.2	3,403	16.4	5,879	12.9
2007–08	106	–7.0	2,056	–13.0	3,530	3.7	5,692	–3.2
2008–09	91	–14.0	2,645	28.6	3,687	4.5	6,423	12.9
2009–10	130	43.3	2,834	7.1	2,868	–22.2	5,832	–9.2
2010–11	133	2.6	4,165	47.0	3,203	11.7	7,502	28.6
2011–12	217	62.9	5,090	22.2	3,506	9.5	8,814	17.5
2012–13	72	–66.9	5,099	0.2	3,436	–2.0	8,607	–2.4
<b>Average annual growth rate (%)</b>								
2002–03 to 2007–08	..	5.8	..	0.2	..	6.1	..	3.7
2007–08 to 2012–13	..	–7.4	..	19.9	..	–0.5	..	8.6
2002–03 to 2012–13	..	–1.0	..	9.6	..	2.8	..	6.2

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

(b) *Non-government funding* includes funding from private health insurers, out-of-pocket expenses paid by individuals and expenditure on health goods and services by workers compensation and compulsory motor vehicle third-party insurers, as well as other sources of income (for example, interest earned) of service providers.

Source: AIHW health expenditure database.

## Appendix B: Technical notes

For this publication, all expenditure that had been reported in *Health expenditure Australia 2012–13* (AIHW 2014) and in the online health expenditure data cubes for years 2002–03 to 2012–13 (available at <<http://www.aihw.gov.au/expenditure-data/>>) has been allocated to 4 broad categories:

- hospitals
- primary health care
- other recurrent
- capital expenditure.

This allocation was based on the areas of expenditure categories historically used in the *Health expenditure Australia* series in accordance with Table B1 below.

**Table B1: Categorisation of areas of expenditure into hospitals, primary health care, other recurrent areas and capital expenditure**

Area of expenditure	Category	Share
Total hospitals	Hospitals	100%
Public hospital services	Hospitals	100%
Private hospitals	Hospitals	100%
Patient transport services	Other recurrent	100%
Medical services	Partly 'Primary health care' and partly 'Other recurrent'	Varies <sup>(a)</sup>
Dental services	Primary health care	100%
Other health practitioners	Primary health care	100%
Community health and other <sup>(b)</sup>	Primary health care	100%
Public health	Primary health care	100%
Medications	Primary health care	100%
Benefit-paid pharmaceuticals	Primary health care	100%
All other medications	Primary health care	100%
Aids and appliances	Other recurrent	100%
Administration	Other recurrent	100%
Research	Other recurrent	100%
Capital expenditure	Capital expenditure	100%
Medical expenses tax rebate	Excluded	n.a.

(a) See Table B2.

(b) *Other* denotes 'other recurrent health services n.e.c.'.

Source: AIHW health expenditure database.

## Medical services allocation

*Medical services expenditure* includes expenditure for services provided by, or on behalf of, registered medical practitioners that are funded by the Medicare Benefits Schedule (MBS), DVA, compulsory motor vehicle third-party insurance, workers compensation insurance, private health insurance funds, Australian Government premium rebates allocated to medical services, Medicare copayments and other out-of-pocket payments.

Table B2 shows the allocation of the broad type of Medicare services to either *Primary health care* or to *Other recurrent expenditure*.

**Table B2: Categorisation of Medicare broad type of services<sup>(a)</sup> to primary health care and other recurrent expenditure, 2002–03 to 2012–13**

Medicare broad type of services	Category	Share of total Medicare medical services expenditure in 2012–13 (%)	Share of total medical services expenditure in 2012–13 (%)
Non-referred attendances:			
GP/VRGP attendances	Primary health	25.3	21.7
Non-referred attendances:			
enhanced primary care attendances	Primary health	4.0	3.4
Non-referred attendances:			
other non-referred attendances	Primary health	0.8	0.7
Non-referred attendances: practice nurse	Primary health	0.0	0.0
Specialist attendances	Other recurrent	13.5	11.6
Obstetrics	Other recurrent	2.2	1.9
Anaesthetics	Other recurrent	4.2	3.6
Pathology episode initiation	Other recurrent	1.4	1.2
Pathology	Other recurrent	10.3	8.8
Diagnostic imaging	Other recurrent	14.4	12.4
Operations	Other recurrent	13.5	11.6
Assistance at operations	Other recurrent	0.6	0.5
Radiotherapy and therapeutic nuclear medicine	Other recurrent	1.3	1.1
Other MBS	Other recurrent	7.8	6.6
<b>Total</b>		<b>100.0</b>	<b>85.8</b>

(a) Excludes dental, allied health and optometry because these are not medical services.

Source: AIHW health expenditure database.

Medical services also include non-MBS medical services, such as the provision of vaccines for overseas travel, as well as some expenditure by the Australian Government under alternative funding arrangements. This expenditure has been allocated to *Primary health care* in this report.



Private health insurers generally do not pay out benefits for medical services received through the primary health care setting. Therefore, any private health insurance benefits paid out for medical services (along with the proportion of the private health insurance premium rebate assigned to medical services) have been allocated to *Other recurrent areas* of health expenditure rather than to *Primary health care* in this report.

Table B3 shows the allocation of expenditure for medical services to *Primary health care* compared with *Other recurrent areas* of health expenditure between 2002–03 and 2012–13.

**Table B3: Total expenditure on medical services, by broad area of expenditure, constant prices<sup>(a)</sup>, 2002–03 to 2012–13**

Year	Primary health care		Other recurrent		Total	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
2002–03	7,162	42.7	9,579	57.2	16,741	100.0
2003–04	7,221	42.2	9,871	57.7	17,092	100.0
2004–05	7,648	42.5	10,343	57.4	17,991	100.0
2005–06	7,383	40.9	10,636	59.0	18,019	100.0
2006–07	7,617	40.4	11,235	59.5	18,851	100.0
2007–08	8,400	41.0	12,046	58.9	20,446	100.0
2008–09	8,474	39.8	12,806	60.1	21,281	100.0
2009–10	8,989	40.2	13,371	59.7	22,360	100.0
2010–11	9,613	41.0	13,777	58.9	23,390	100.0
2011–12	9,824	40.2	14,575	59.7	24,399	100.0
2012–13	10,166	40.1	15,157	59.8	25,323	100.0

(a) Constant price health expenditure for 2002–03 to 2012–13 is expressed in terms of 2012–13 prices.

Source: AIHW health expenditure database.

# Glossary

**admitted patient:** A patient who undergoes a hospital's formal admission process to receive treatment and/or care. This treatment and/or care is provided over a period of time and can occur in hospital and/or in the person's home (for hospital-in-the-home patients).

**aids and appliances:** Durable medical goods dispensed to ambulatory patients that are used more than once, for therapeutic purposes, such as glasses, hearing aids, wheelchairs and orthopaedic appliances and prosthetics that are not implanted surgically but are external to the user of the appliance. Excludes prostheses fitted as part of admitted patient care in a hospital.

**Australian Government health expenditure:** Total expenditure actually incurred by the Australian Government on its own health programs. It does not include the funding provided by the Australian Government to the states and territories by way of grants under section 96 of the Constitution.

**Australian Government health funding:** The sum of Australian Government expenditure and section 96 grants to states and territories. This includes the 10–40% private health insurance premium rebates.

**average annual growth rate:** To calculate the average annual growth rate in health expenditure between 2002–03 and 2012–13, the following formula applies:  
$$((\$ \text{ million in 2012–13} / \$ \text{ million in 2002–03})^{(1/10)} - 1) * 100.$$

**benefit-paid pharmaceuticals:** Pharmaceuticals listed in the schedule of the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) for which pharmaceutical benefits have been paid or are payable. The term does not include listed pharmaceutical items where the full cost is met from the patient copayment under the PBS or RPBS.

**capital consumption:** The amount of fixed capital used up each year in the provision of health goods and services (sometimes referred to as depreciation).

**capital expenditure:** Expenditure on fixed assets (for example, new buildings and equipment) with a useful life that extends beyond 1 year. This does not include changes in inventories. This term is used in this publication to refer to what the Australian Bureau of Statistics calls gross fixed capital formation. See also *Capital formation*.

**capital formation:** Gross fixed capital formation is the value of acquisitions less disposals of new or existing fixed assets. 'Assets' consist of tangible or intangible assets that have come into existence as outputs from processes of production, and that are themselves used repeatedly or continuously in other processes of production over periods of time longer than 1 year. See *Australian national accounts: concepts, sources and methods* (ABS 2000) for further details.

**chain price index:** An annually re-weighted index providing a close approximation to measures of pure price change.

**community health services:** Non-residential health services offered by establishments to patients/clients, in an integrated and coordinated manner in a community setting, or the coordination of health services elsewhere in the community. Such services are provided by, or on behalf of, state and territory governments.

Includes, for example:

- well baby clinics
- health services provided to particular groups, such as Aboriginal and Torres Strait Islander people, women, youth and migrants, as well as family planning services, alcohol and drug treatment services
- specialised mental health programs delivered in a community setting.

**constant prices:** Constant price expenditure adjusts prices to reflect the prices in a chosen reference year, to allow for the effects of inflation; that is, it aims to remove the effects of inflation. Constant price estimates for expenditure aggregates have been derived using either annually re-weighted chain price indexes or implicit price deflators (IPDs). The reference year for both the chain price indexes and the IPDs is 2012–13 in this report. Constant price estimates indicate what expenditure would have been had 2012–13 prices applied in all years. Hence, expenditures in different years can be compared on a dollar-for-dollar basis, using this measure of changes in the volume of health goods and services.

**current prices:** The term ‘current prices’ refers to dollar amounts for expenditures reported for a particular year, unadjusted for inflation. Changes in current price expenditures reflect changes in both price and volume.

**dental services:** Services provided by registered dental practitioners, such as oral and maxillofacial surgery items; orthodontic, pedodontic and periodontic services; cleft lip and palate services; dental assessment and treatment; and other dental items listed in the Medicare Benefits Schedule.

**health administration:** Activities related to the formulation and administration of government and non-government policy in health and to the setting and enforcement of standards for health personnel, hospitals, clinics, and so forth. Includes the regulation and licensing of providers of health services.

It includes only those administrative services that cannot be allocated to a specific health good and service. Services that cannot be allocated might include, for example, maintaining an office of the Chief Medical Officer; a departmental liaison officer in the office of the Minister; or a number of other agency-wide items for which it is not possible to derive appropriate or meaningful allocations to particular health programs.

**health research:** Research undertaken at tertiary institutions, in private non-profit organisations and in government facilities that has a health socioeconomic objective.

Excludes commercially oriented research funded by private business, the costs of which are assumed to be included in the prices charged for the goods and services (for example, medications that have been developed and/or supported by research activities).

**hospital services:** Services provided to a patient who is receiving admitted patient services or non-admitted patient services in a hospital, but *excludes* dental services, community health services, patient transport services, public health activities and health research undertaken within the hospital. Can include services provided off-site, such as *Hospital in the home*, dialysis or other services.

**implicit price deflator (IPD):** An index obtained using the ratio of current price expenditure to constant price expenditure.

**individual net worth:** The value of an individual’s assets less their liabilities.

**individuals' out-of-pocket funding:** Payments by individuals where they meet the full cost of a good or service as well as where they share the cost of goods and services with third-party payers, such as private health insurance funds or the Australian Government.

**injury compensation insurers:** Workers compensation and compulsory third-party motor vehicle insurers.

**jurisdictions:** State, territory and local governments.

**local government:** A public sector unit where the political authority underlying its function is limited to a local government area or other region within a state or territory, or where the functions involve policies that are primarily of concern at the local level.

**medical durables:** Therapeutic devices, such as glasses, hearing aids and wheelchairs, that can be used more than once.

**medical services:** Includes services provided by, or on behalf of, registered medical practitioners, that are funded by the Medicare Benefits Schedule (MBS), Department of Veterans' Affairs, compulsory motor vehicle third-party insurance, workers compensation insurance, private health insurance funds, Australian Government premium rebates allocated to medical services, Medicare copayments and other out-of-pocket payments.

Most medical services in Australia are provided on a fee-for-service basis and attract benefits from the Australian Government under Medicare. These include both private in-hospital medical services and out-of-hospital medical services.

They also include non-MBS medical services, such as the provision of vaccines for overseas travel, as well as some expenditure by the Australian Government under alternative funding arrangements.

Excludes medical services provided to public admitted patients in public hospitals and medical services provided to public patients at outpatient clinics in public hospitals.

**medical expenses tax rebate:** Applies to a wide range of health expenditures, not just expenses associated with doctors. It cannot be specifically allocated to the various areas of health expenditure.

Individuals are able to claim a rebate in respect of that part of their eligible personal health expenses that exceeds a threshold in an income year. For the 2012–13 income year, the tax rebate was 20 cents for each \$1 by which a taxpayer's net medical expenses exceeded \$2,120 (the threshold).

These tax expenditures are a form of funding only. The related expenditures have already been allocated to particular area(s) of health expenditure, but it is not possible to allocate this form of funding to particular health expenditure areas.

Treasury estimates other tax expenditures in the health area, such as the cost of exempting low-income earners from the Medicare levy. These tax expenditures are not included in the Australian national health accounts framework.

**medications:** Benefit-paid pharmaceuticals and other medications.

**non-admitted patient:** Patients who receive care from a recognised non-admitted patient service/clinic of a hospital.

**other health practitioner services:** Services provided by health practitioners (other than doctors and dentists). These include chiropractors, optometrists, physiotherapists, speech

therapists, audiologists, dieticians, podiatrists, homeopaths, naturopaths, practitioners of Chinese medicine and other forms of traditional medicine.

**other medications:** Pharmaceuticals for which no Pharmaceutical Benefits Scheme (PBS) or Repatriation Pharmaceutical Benefits Scheme (RPBS) benefit was paid. They include:

- pharmaceuticals listed in the PBS or RPBS, the total costs of which are equal to, or less than, the statutory patient contribution for the class of patient (under copayment pharmaceuticals)
- pharmaceuticals dispensed through private prescriptions that do not fulfil the criteria for payment of benefit under the PBS or RPBS over-the-counter medicines including pharmacy-only medicines, aspirin, cough and cold medicines, vitamins and minerals, herbal and other complementary medicines, and a range of medical non-durables, such as condoms, adhesive and non-adhesive bandages.

**other recurrent health services n.e.c.:** Miscellaneous expenditures that could not, at that time, be allocated to the specific health expenditure areas in the matrix.

**over-the-counter medicines:** Therapeutic medicinal preparations that can be purchased from pharmacies and supermarkets.

**over-the-counter therapeutic medical non-durables:** Non-prescription therapeutic goods that tend to be single-use items, such as bandages, elastic stockings, condoms and other mechanical contraceptive devices, from pharmacies or supermarkets.

**patient transport services:** Organisations primarily engaged in providing transportation of patients by ground or air, along with health (or medical) care. These services are often provided during a medical emergency but are not restricted to emergencies. The vehicles are equipped with lifesaving equipment operated by medically trained personnel. Includes public ambulance services or flying doctor services; such as Royal Flying Doctor Service and Care Flight. Also includes patient transport programs, such as patient transport vouchers or support programs, to assist isolated patients with travel to obtain specialised health care. For 2003–04 onwards, this category includes patient transport expenses that are included in the operating costs of public hospitals.

**Pharmaceutical Benefits Scheme (PBS):** A national, government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs, and that covers all Australians to help them afford standard medications. The Pharmaceutical Benefits Schedule (schedule) lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.

**primary health care:** Primary health care expenditure includes recurrent expenditure on health goods and services such as medical services, dental services, *Other health practitioner services*, pharmaceuticals and community and public health services. Primary health care services are delivered in numerous settings such as general practices, community health centres, allied health practices (for example, physiotherapy, dietetic and chiropractic practices, and tele-health) and under numerous funding arrangements.

**Private Health Insurance Incentives Scheme (PHIIS):** The PHIIS was introduced on 1 July 1997 to encourage more people to take out private health insurance. It provided a subsidy to low-income earners who did, and a tax penalty to high-income earners who did not.

Middle-income earners were not the target of this policy and, as such, were neither eligible for the tax subsidy nor liable to incur a tax penalty, regardless of their private health insurance status. The scheme ended on 31 December 1998.

**private hospital:** A health-care provider facility, other than a public hospital, that has been established under state or territory legislation as a hospital or freestanding day procedure unit and authorised to facilitate the provision of hospital services to patients. A private hospital is not defined by whether it is privately owned but by whether it is not a public hospital (as defined below). Private hospital expenditure includes expenditures incurred by a private hospital in providing contracted and/or ad hoc treatments for public patients.

**private patient:** A person admitted to a private hospital, or a person admitted to a public hospital who is treated by a doctor of their own choice and/or who has private ward accommodation. This means that the patient will be charged for medical services, food and accommodation.

**public health activities:** Eight types of activities undertaken or funded by the key jurisdictional health departments that deal with issues related to populations, rather than individuals. These activities comprise:

- communicable disease control
- selected health promotion
- organised immunisation
- environmental health
- food standards and hygiene
- breast cancer, cervical and bowel cancer screening
- prevention of hazardous and harmful drug use
- public health research.

These activities do not include treatment services.

**public health services:** Services provided and/or funded by governments that are aimed at protecting and promoting the health of the whole population or specified population subgroups and/or preventing illness or injury in the whole population or specified population subgroups.

Public health services do not include treatment services.

For 2001–02 onwards, public health services have also included departmental costs for the following departmental regulators: the Therapeutic Goods Administration, the Office of Gene Technology Regulator and the National Industrial Chemicals Notification and Assessment Scheme.

**public hospital:** A health-care provider facility that has been established under state or territory legislation as a hospital or as a freestanding day procedure unit. Public hospitals are operated by, or on behalf of, the government of the state or territory in which they are established and are authorised under that state/territory's legislation to provide or facilitate the provision of hospital services to patients. Public hospitals are recognised under the National Health Care Agreements and include some hospitals, such as some denominational hospitals, that are privately owned. Defence force hospitals are not included in the scope of public hospitals.

**public hospital services:** The balance of public hospital expenditure remaining, after community health services, public health services, non-admitted dental services, patient transport services and health research activities that are undertaken by public hospitals have been removed and reallocated to their own expenditure categories.

**public patient:** A patient admitted to a public hospital who is treated by doctors of the hospital's choice and accepts shared ward accommodation if necessary. This means that the patient is not charged.

**real expenditure:** Expenditure that has been adjusted to remove the effects of inflation (for example, expenditure for all years compiled using 2012–13 prices). Removing the effects of inflation enables comparisons to be made between expenditures in different years on an equal dollar-for-dollar basis. Changes in real expenditure measure the change in the volume of goods and services produced.

**rebates of health insurance premiums:** Introduced in January 1999, a non-means-tested rebate on private health insurance premiums replaced the Private Health Insurance Incentives Scheme (PHIIS) subsidy. There are 2 types of rebates of health insurance premiums:

- The first rebate is where the 10–40% rebate is taken as a reduced premium payable by the individual with private health cover (with the health fund claiming payment from the Australian Government).
- The second rebate is taken as an income tax rebate, where individuals with private health cover elect to claim the rebate through the tax system at the end of the financial year for the 10–40% rebate, having paid the 100% of their health fund's premiums up front.

**recurrent expenditure:** Expenditure incurred by organisations on a recurring basis, for the provision of health goods and services, which does not result in the creation or acquisition of fixed assets (new or second-hand). It consists mainly of expenditure on wages, salaries and supplements, purchases of goods and services and consumption of fixed capital. This excludes capital expenditure. For all years, recurrent expenditure includes capital consumption (depreciation).

**Repatriation Pharmaceutical Benefits Scheme (RPBS):** Provides assistance to eligible veterans (with recognised war- or service-related disabilities) and their dependants for pharmaceuticals listed on the Pharmaceutical Benefits Scheme (PBS) and a supplementary repatriation list, at the same cost as patients entitled to the concessional payment under the PBS.

**state and territory dental services:** School dental programs, community dental services and hospital dental programs funded by state and territory health authorities.

**therapeutic:** relating to the treating or curing of a disease.

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## Related publications

This report, *Health expenditure Australia 2012–13: analysis by sector*, is a companion to *Health expenditure Australia 2012–13*. Both reports can be downloaded free from the AIHW website <<http://www.aihw.gov.au/expenditure-publications/>>. The website also includes information on ordering printed copies.

Supplementary tables relating to this report were published separately online as *Health expenditure Australia 2012–13: analysis by sector – supplementary tables*. See <<http://www.aihw.gov.au/publication-detail/?id=60129550083&tab=3>>.

The following AIHW publications relating to health expenditure might also be of interest:

- AIHW 2013. Expenditure on health for Aboriginal and Torres Strait Islander people 2010–11. Health and welfare expenditure series no. 48. Cat. no. HWE 57. Canberra: AIHW.
- AIHW 2013. Expenditure on health for Aboriginal and Torres Strait Islander people 2010–11: an analysis by remoteness and disease. Health and welfare expenditure series no. 49. Cat. no. HWE 58. Canberra: AIHW.

This report extends the analysis presented in Health expenditure Australia 2012–13 to further explore expenditure on particular categories of health goods and services. In 2012–13, \$55.9 billion was spent on hospitals in Australia, \$52.9 billion on primary health care and \$29.9 billion on other areas of health spending. A further \$8.6 billion was spent on capital expenditure.

All funders increased their expenditure on hospitals between 2002–03 and 2012–13; however, growth in state and territory government funding (\$10.6 billion) was almost double that of the Australian Government (\$5.4 billion). Primary health care spending is shared relatively evenly between Australian Government (about 43.0%) and non-government sources (about 41.0%), with the states and territories playing a relatively small role, over the same period.