5 State and territory government expenditure and funding

Introduction

Expenditure by state and territory governments in 2001–02 represented 70.5% of total expenditure on health goods and services for Aboriginal and Torres Strait Islander peoples. That expenditure was funded, in part, by the state and territory governments' own funding sources; it was also partly funded by the Australian Government, (largely through SPPs) and through other, non-government funding sources.

The state and territory governments also provided funding for private hospital services in 2001–02 (see Box 2.1 on page 6 on the difference between funding and expenditure).

The first part of this chapter reports estimates of expenditure on health services by state and territory governments. As such, it includes any parts of those expenditures that were funded by other sectors — such as through SPPs and patient fees. It does not include state and territory government funding for private hospitals. The second part summarises the net funding by states and territories from their own resources (that is, after removing the funding provided by other sectors). Funding by state and territory governments includes their funding for private hospital services.

In the discussions that follow, it must be borne in mind that the expenditure estimates for non-admitted patient services, community health services and public health activities are not solely based on Indigenous client services information so they should be treated with care.

State and territory government expenditure

In 2001–02, state and territory governments spent an estimated \$1,260.5 million on health goods and services for Aboriginal and Torres Strait Islander peoples (Table 5.1). This represented 5.5% of their estimated health expenditure of \$22.9 billion.

Expenditure on services provided to admitted patients in acute-care hospitals represented over half (52.5%) of the state and territory governments' Indigenous health expenditures, compared with 58.7% for the non-Indigenous population. Similarly, estimated expenditure for Indigenous Australians on non-admitted patient services represented 11.3% of all state and territory governments' Indigenous health expenditure. That too was slightly lower than for non-Indigenous people (14.4%).

The main difference between Indigenous and non-Indigenous state and territory expenditure was in respect of community health services. These made up an estimated 21.6% of state and territory governments' spending on health for Indigenous people, compared with 12.8% for other Australians.

Table 5.1: State and territory government health expenditure, for Indigenous Australians and non-Indigenous people, by program, 2001–02

	Exp	enditure (\$ mill	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Hospitals	829.0	16,224.2	4.9	1,807.92	855.94	2.11	
Acute-care hospitals	804.3	15,811.2	4.8	1,754.12	834.16	2.10	
Admitted patient services ^(a)	661.9	12,694.7	5.0	1,443.55	669.74	2.16	
Non-admitted patient services	142.4	3,116.5	4.4	310.56	164.42	1.89	
Emergency departments	34.6	615.7	5.3	75.51	32.48	2.32	
Other non-admitted services	62.1	1,917.2	3.1	135.37	101.14	1.34	
Public (psychiatric) hospitals	24.7	413.0	5.6	53.80	21.79	2.47	
Services for older people	11.7	420.0	2.7	25.51	22.16	1.15	
Patient transport	50.2	771.6	6.1	109.45	40.71	2.69	
Public health activities ^(b)	56.2	712.5	7.3	122.65	37.59	3.26	
Communicable disease control	14.2	144.8	8.9	30.91	7.64	4.04	
Selected health promotion	16.3	115.8	12.3	35.51	6.11	5.81	
Organised immunisation	10.6	133.5	7.3	23.03	7.04	3.27	
Environmental health	5.6	48.9	10.2	12.15	2.58	4.71	
Food standards and hygiene	1.0	17.3	5.4	2.16	0.91	2.37	
Breast Cancer Screening	1.2	95.4	1.2	2.59	5.04	0.51	
Cervical Screening	2.2	22.3	9.1	4.85	1.18	4.12	
Prevention of hazardous and harmful drug use	4.4	104.0	4.1	9.62	5.49	1.75	
Public health research	0.8	30.3	2.7	1.83	1.60	1.14	
Community health service	272.8	2,772.1	9.0	594.93	146.25	4.07	
Dental services	18.6	362.6	4.9	40.56	19.13	2.12	
Community mental health	29.3	772.6	3.7	63.84	40.76	1.57	
Alcohol and other drug treatment	48.2	208.8	18.7	105.08	11.02	9.54	
Other community health	176.7	1,428.0	11.0	394.89	80.97	4.88	
Health research	10.5	215.6	4.6	22.84	11.38	2.01	
Health administration (nec)	13.5	250.5	5.1	29.39	13.22	2.22	
Other health services (nec)	16.6	253.7	6.2	36.31	13.38	2.71	
Total expenditure	1,260.5	21,620.2	5.5	2,749.00	1,140.63	2.41	
State funding of private hospitals	1.6	172.9	0.9	3.43	9.12	0.38	

⁽a) All admitted patients in public (non-psychiatric) hospitals plus public patients in private hospitals.

Community health services cover a broad range of non-institutional health care provision, including maternal and child health clinics, dental services, mental health services, alcohol and drug treatment programs, family planning services and some medical services provided by salaried doctors who do not bill Medicare. They do not include all expenditure undertaken in community health centres, most notably alcohol and drug education

⁽b) Expenditure estimates for public health activities were sourced from NPHEP and GPC reporting mechanisms. Source: AIHW Health expenditure database.

programs and other preventive and health promotion activities, which are included in estimates of expenditure on public health activities.

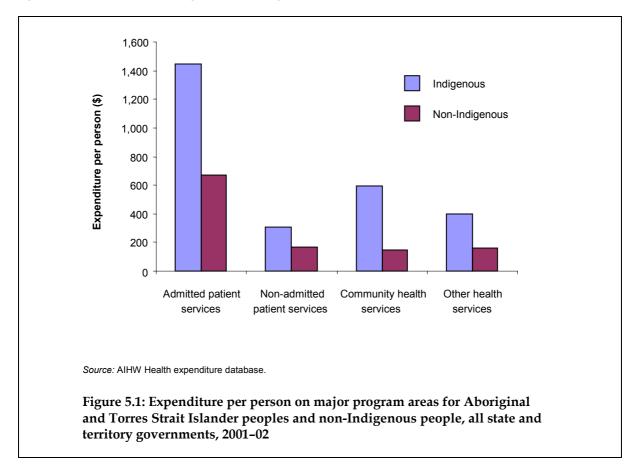
While every effort was taken to account for differences between jurisdictions, caution is required when comparing results from states and territories, because of differences in:

- methods used for identification of Aboriginal and Torres Strait Islander peoples;
- accounting systems;
- data collection methods; and
- treatment of some corporate expenses, such as central office costs.

A further caution relates to comparisons of estimated average expenditure per person. They are simple means, based on the total state or territory population (Indigenous and non-Indigenous), but the demographic and other characteristics of both populations vary markedly across jurisdictions and these can have substantial impact on the costs of providing services.

State and territory governments were estimated to have spent, on average, \$2,749.00 per Indigenous Australian compared with \$1,140.63 per non-Indigenous person. This represents an Indigenous/non-Indigenous expenditure ratio of 2.41:1.

In all the major groupings of health goods and services, states and territories spent more per person for Aboriginal and Torres Strait Islander peoples than for non-Indigenous people (Figure 5.1). In the case of expenditure on community health services it was more than four times the non-Indigenous average and for admitted patient services in acute-care hospitals it was double. Only for expenditure on government nursing homes did the ratio approach parity (1.15:1); even then, the average Indigenous expenditure per person (\$25.51) was greater than the non-Indigenous average (\$22.16).



Spending on public health activities for Indigenous people was generally much higher than for non-Indigenous people. The only exception was breast cancer screening where a combination of the program's target age group (women aged 50–69), the relatively shorter life expectancy of Indigenous women and the lower participation rate for Indigenous women within the target age group (AIHW 2005b) contributed to expenditure being only 51% of the non-Indigenous average.

Table 5.2: Estimated state and territory health expenditure per person for Indigenous and non-Indigenous people, by program, 2001–02 (\$)

Health good or	Expenditure per person (\$)								
Health good or service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Acute-care hospi	tals								
Indigenous	1,317.78	1,338.43	1,573.16	2,748.22	1,429.21	458.48	1,778.69	2,788.15	1,754.12
Non-Indigenous	891.78	868.17	699.11	922.95	650.52	826.46	1,024.99	796.61	834.16
Total	900.52	865.34	734.07	1,016.57	658.91	851.47	1,028.13	1,363.22	855.88
Admitted patient	services								
Indigenous	978.01	968.80	1,218.67	2,387.24	1,174.54	230.55	1,503.47	2,677.39	1,443.55
Non-Indigenous	700.87	725.11	548.33	761.88	512.51	585.87	849.03	726.21	669.74
Total	706.55	726.52	576.22	848.57	518.94	611.34	850.96	1,281.21	688.01
Non-admitted pat	tient service	es							
Indigenous	339.77	369.63	354.49	360.98	254.66	227.93	275.22	110.76	310.56
Non-Indigenous	190.91	143.06	150.78	161.07	138.00	240.59	175.95	70.40	164.42
Total	193.96	144.37	157.85	168.00	139.97	240.12	177.17	82.01	167.87
Emergency depar	tments								
Indigenous	70.40	162.32	_	165.37	152.72	20.73	_	95.70	75.51
Non-Indigenous	40.24	34.19	_	35.69	74.30	21.88	_	52.17	32.48
Total	40.86	34.93	_	40.19	75.63	21.84	_	64.69	33.50
Other non-admitte	d patient ser	vices							
Indigenous	269.38	207.31	_	195.66	101.94	207.19	_	15.06	135.37
Non-Indigenous	150.67	108.87	_	125.38	63.70	218.71	_	18.24	101.14
Total	153.10	109.44	_	127.82	64.34	218.28	_	17.32	101.95
Public (psychiatr	ic) hospitals	5							
Indigenous	54.41	_	62.83	63.55	194.03	15.65	_	_	53.80
Non-Indigenous	23.63	_	34.64	29.87	52.68	14.01	_	_	21.79
Total	24.26	_	35.62	31.03	55.07	14.07	_	_	22.54
Services for olde	r people								
Indigenous	2.01	14.40	16.52	133.78	4.82	_	_	_	25.51
Non-Indigenous	6.76	20.66	32.81	66.90	26.92	_	_	_	22.16
Total	6.66	20.62	32.25	69.22	26.54	_	_	_	22.23
Patient transport									
Indigenous	71.71	45.38	154.14	25.78	72.45	26.25	46.67	275.16	109.45
Non-Indigenous	46.99	35.60	61.21	4.25	23.06	57.18	28.88	52.27	40.71
Total	47.49	35.66	64.44	5.00	23.90	56.04	29.10	116.37	42.33

(Continued)

Table 5.2 (continued): Estimated state and territory expenditure per person for Indigenous and non-Indigenous people, by program, 2001–02 (\$)

Health good or	Expenditure per person (\$)								
service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Public health acti	vities ^(a)								
Indigenous	67.01	281.66	61.78	67.65	78.31	39.79	67.26	424.86	122.65
Non-Indigenous	33.75	40.79	33.99	32.72	43.61	43.70	71.00	100.17	37.59
Total	34.43	42.19	34.96	33.93	44.20	43.56	70.96	193.55	39.60
Community healt	h services								
Indigenous	659.09	697.83	497.68	495.97	353.75	201.55	570.07	955.13	594.93
Non-Indigenous	136.41	134.17	196.99	69.64	86.53	420.91	249.94	256.20	146.25
Total	147.13	137.43	207.42	84.42	91.05	412.82	253.86	457.20	156.84
Health research									
Indigenous	13.49	3.73	10.15	25.78	97.87	_	21.05	52.57	22.84
Non-Indigenous	14.59	3.73	10.16	22.40	13.46	_	21.12	3.74	11.38
Total	14.57	3.73	10.16	22.51	14.88	_	21.12	17.79	11.65
Health administra	ation (nec) ^(b))							
Indigenous	_	_	22.43	87.69	158.00	47.94	_	_	29.39
Non-Indigenous	_	_	16.28	43.98	44.56	102.52	_	_	13.22
Total	_	_	16.49	45.50	46.47	100.51	_	_	13.60
Other health serv	ices (nec)								
Indigenous	3.41	16.77	2.15	201.73	_	25.85	54.72	26.11	36.31
Non-Indigenous	3.82	4.55	1.37	101.46	_	13.54	30.19	4.71	13.38
Total	3.81	4.62	1.40	104.94	_	13.99	30.49	10.86	13.93
Total									
Indigenous	2,188.92	2,398.19	2,400.84	3,850.16	2,388.43	815.49	2,538.46	4,521.98	2,749.00
Non-Indigenous	1,157.72	1,107.68	1,086.57	1,294.16	941.33	1,478.31	1,426.13	1,213.70	1,140.63
Total	1,178.87	1,109.60	1,136.80	1,413.12	961.02	1,492.45	1,433.66	2,158.99	1,178.61
State funding of pr	ivate hospita	als							
Indigenous	0.26	0.38	1.95	18.38	0.01	3.91	_	_	3.43
Non-Indigenous	6.25	0.57	11.07	37.09	1.38	46.25	0.04	_	9.12
Total	6.12	0.57	10.75	36.44	1.36	44.69	0.04	_	8.99

⁽a) Expenditure data on public health activities were sourced from NPHEP and GPC reporting mechanisms.

The Northern Territory (\$4,521.98) and Western Australia (\$3,850.16) had the highest average expenditure per person (Table 5.2). This is, at least in part, explained by the large proportions of their Indigenous population living in remote areas (see Table 1.1 on page 2). Tasmania, which had the lowest average expenditure per person (\$815.49), was the only jurisdiction where the estimated expenditure per person for Indigenous Australians was lower than that for non-Indigenous people (\$1,478.31).

⁽b) Health administration expenditure was allocated differently across jurisdictions.

Local government expenditure

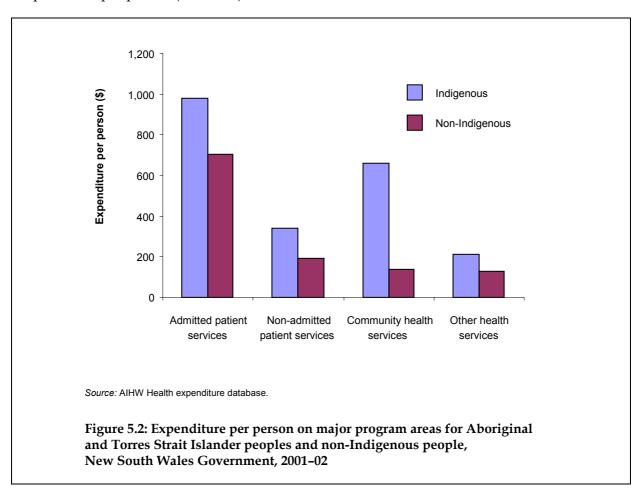
The national estimate of \$155.4 million for expenditure by local governments on health for all people was derived from the ABS's government finance statistics (ABS 2003b). Local governments typically provide some aged care facilities and community health services and undertake some public health activities. The estimated Indigenous share of health expenditure by local government was \$7.3 million (4.7%). This was largely based on population surveys, which indicate that Indigenous people's use of publicly funded services tends to be, on average, higher than that of non-Indigenous people (ABS 2002b). In the estimates that follow, local government expenditure is included in the state and territory government estimates.

New South Wales Government expenditure

Estimated expenditure by the New South Wales Government on health for Aboriginal and Torres Strait Islander peoples for 2001–02 was \$295.3 million (Table 5.3). Expenditure on health for Indigenous Australians accounted for 3.8% of the state's total health expenditure of \$7,751.4 million. This share of expenditure is almost double the State's Indigenous population proportion of 2.1%. Most of the New South Wales Government's expenditure on Indigenous health was related to acute-care hospitals—especially admitted patient services. Spending on services provided by, or in, acute-care hospitals (\$177.8 million) represents over half (60.2%) of the State Government's expenditure on Aboriginal and Torres Strait Islander peoples.

Estimated expenditure on community health services represented the second largest component of the State's Indigenous health expenditure (\$88.9 million). Community health services—in particular, alcohol and drug treatment services—also have the highest Indigenous share of total expenditure (9.2%). The estimates of the shares of expenditure on both community health services and most public health activities attributable to Indigenous and non-Indigenous people are not necessarily based on indicators of client use of the services involved and should be treated with care.

State government expenditure for Aboriginal and Torres Strait Islander peoples was estimated to be, on average, \$2,188.92 per person—almost twice the State's non-Indigenous expenditure per person (\$1,157.72).



Average expenditure by the New South Wales Government on community health services for Aboriginal and Torres Strait Islander peoples was almost five times (ratio 4.83:1) that for non-Indigenous people (Figure 5.2). Average expenditure per person on admitted patient services in acute-care hospitals was 40% higher for Indigenous people than for non-Indigenous people.

Table 5.3: New South Wales Government health expenditure, for Indigenous and non-Indigenous people, by program,^(a) 2001–02

	Ехр	enditure (\$ mill	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Acute-care hospitals	177.8	5,743.4	3.0	1,317.78	891.78	1.48	
Admitted patient services	131.9	4,513.8	2.8	978.01	700.87	1.40	
Non-admitted patient services	45.8	1,229.5	3.6	339.77	190.91	1.78	
Emergency departments	9.5	259.2	3.5	70.40	40.24	1.75	
Other non-admitted patient services	36.3	970.4	3.6	269.38	150.67	1.79	
Public (psychiatric) hospitals	7.3	152.2	4.6	54.41	23.63	2.30	
Services for older people	0.3	43.5	0.6	2.01	6.76	0.30	
Patient transport	9.7	302.6	3.1	71.71	46.99	1.53	
Public health activities	9.0	217.4	4.0	67.01	33.75	1.99	
Communicable disease control	6.5	60.3	9.7	48.05	9.37	5.13	
Selected health promotion	0.7	34.7	1.9	4.98	5.39	0.92	
Organised immunisation	0.8	40.1	1.9	5.76	6.23	0.92	
Environmental health	0.3	14.8	1.9	2.12	2.30	0.92	
Food standards and hygiene	0.1	7.0	1.9	1.01	1.09	0.92	
Breast cancer screening	0.2	33.3	0.5	1.29	5.18	0.25	
Cervical screening	0.1	4.4	1.6	0.54	0.69	0.78	
Prevention of hazardous and harmful drug use	0.4	20.9	1.9	3.01	3.25	0.92	
Public health research	0.0	1.7	1.9	0.25	0.27	0.92	
Community health services	88.9	878.5	9.2	659.09	136.41	4.83	
Dental services	7.1	70.4	9.2	52.76	10.93	4.83	
Community mental health	7.2	262.2	2.7	53.04	40.72	1.30	
Alcohol and other drug treatment	32.8	91.4	26.4	243.17	14.19	17.14	
Other community health	41.8	454.5	8.4	310.12	70.57	4.39	
Health research	1.8	93.9	1.9	13.49	14.59	0.92	
Other health services (nec)	0.5	24.6	1.8	3.41	3.82	0.89	
Total	295.3	7,456.1	3.8	2,188.92	1,157.72	1.89	
State funding of private hospitals		40.2	0.1	0.26	6.25	0.04	

⁽a) All health administration expenditure has been apportioned across the expenditure categories. Source: AlHW Health expenditure database.

Victorian Government expenditure

Victorian Government expenditure on health services for Aboriginal and Torres Strait Islander peoples for 2001–02 was estimated to be \$66.8 million (Table 5.4). Expenditure on health for Indigenous Australians accounted for 1.2% of the State Government's total health expenditure of \$5,358.0 million, compared with the Indigenous population proportion of 0.6% for the State.

Estimated expenditure through acute-care hospitals accounted for more than half (55.8%) of the total expenditure on health services for Aboriginal and Torres Strait Islander peoples. Admitted patient services in acute-care hospitals represented 40.4% of Indigenous health expenditure, compared with 65.5% in respect of other Victorians.

Estimated average expenditure per person by the state government on health for Aboriginal and Torres Strait Islander peoples (\$2,398.19 per person) was more than for non-Indigenous people (\$1,107.68). Average expenditure on health for Indigenous Australians were greatest, in comparison with non-Indigenous people, in the case of public health activities (ratio 6.90:1) and community health services (5.20:1) (Figure 5.3).

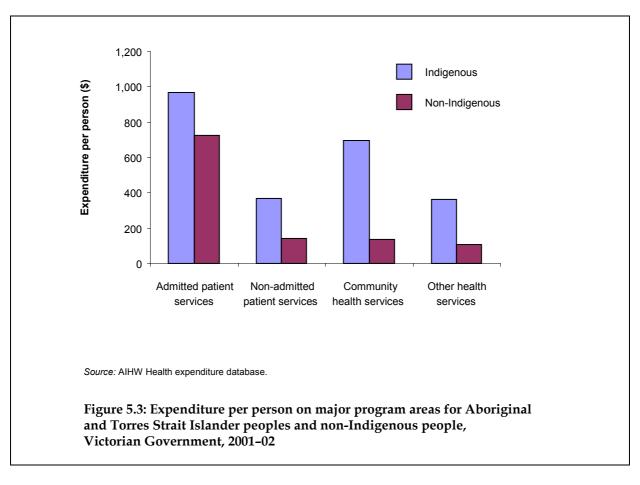


Table 5.4: Victorian Government health expenditure, for Indigenous and non-Indigenous people, by program, $^{(a)}$ 2001–02

	Exp	enditure (\$ milli	ion)	Expendi	ture per person	(\$)
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio
Acute-care hospitals ^(b)	37.3	4,147.1	0.9	1,338.43	868.17	1.54
Admitted patient services	27.0	3,463.8	0.8	968.80	725.11	1.34
Non-admitted patient services	10.3	683.4	1.5	369.63	143.06	2.58
Emergency departments	4.5	163.3	2.7	162.32	34.19	4.75
Other non-admitted patient services	5.8	520.1	1.1	207.31	108.87	1.90
Services for older people	0.4	98.7	0.4	14.40	20.66	0.70
Patient transport	1.3	170.1	0.7	45.38	35.60	1.27
Public health activities ^(c)	7.8	194.9	3.9	281.66	40.79	6.90
Communicable disease control	0.2	28.4	0.8	8.64	5.94	1.45
Selected health promotion	5.7	35.4	13.9	205.93	7.41	27.81
Organised immunisation	1.3	46.5	2.8	47.71	9.73	4.90
Environmental health	_	6.8	0.6	1.42	1.42	1.00
Food standards and hygiene	_	2.4	0.6	0.50	0.50	1.00
Breast cancer screening	0.1	19.7	0.3	1.90	4.13	0.46
Cervical screening	0.2	9.4	1.7	5.86	1.96	2.99
Prevention of hazardous and harmful drug use	0.1	22.0	0.6	4.61	4.61	1.00
Public health research	0.1	24.4	0.6	5.11	5.11	1.00
Community health services	19.4	640.9	2.9	697.83	134.17	5.20
Dental services	0.5	94.2	0.5	17.61	19.72	0.89
Community mental health	6.3	309.1	2.0	225.63	64.71	3.49
Alcohol and other drug treatment	7.9	68.5	10.4	284.78	14.33	19.87
Other community health	4.7	169.1	2.7	169.81	35.40	4.80
Health research	0.1	17.8	0.6	3.73	3.73	1.00
Other health services (nec)	0.5	21.8	2.1	16.77	4.55	3.68
Total	66.8	5,291.2	1.2	2,398.19	1,107.68	2.17
State funding of private hospitals	_	2.7	0.4	0.38	0.57	0.68

⁽a) All health administration expenditure has been apportioned across the expenditure categories.

⁽b) Expenditure on public (psychiatric) hospitals is included in admitted patient services.

⁽c) Reported expenditure for public health activities does not necessarily concur with NPHEP activity reporting. Source: AIHW Health expenditure database.

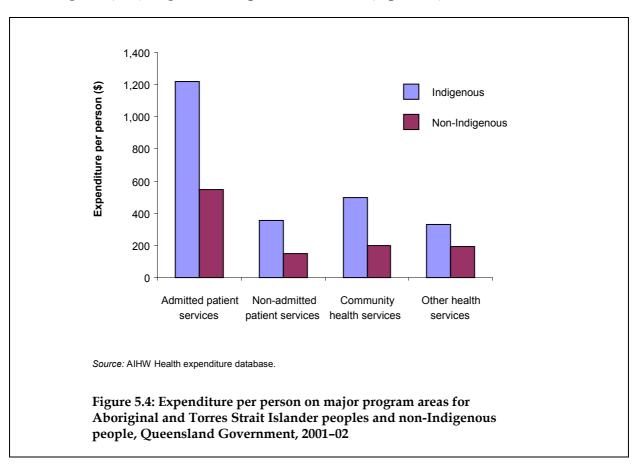
Queensland Government expenditure

Estimated expenditure by the Queensland Government on health for Aboriginal and Torres Strait Islander peoples during 2001–02 was \$302.3 million (Table 5.5). This was 7.4% of the State's total expenditure on health (\$4,108.6 million) compared to the State's Indigenous population proportion of 3.5%.

Expenditure through acute-care hospitals accounted for 65.5% of the State's estimated expenditure on health for Aboriginal and Torres Strait Islander peoples. At \$153.4 million, admitted patient services in acute-care hospitals constitute more than half of this expenditure. Community health services also represent a large component of Queensland's total expenditure on Indigenous health -20.7% (\$62.7 million).

On average, the State's expenditure for Aboriginal and Torres Strait Islander peoples was estimated at \$2,400.84 per person—just over double that for non-Indigenous people (\$1,086.57).

With the exception of services for older people (ratio 0.50:1), the ratios of per capita expenditure on Indigenous Australians to non-Indigenous people were greater than 1.00 and, in many cases—community health services (2.53); patient transport (2.52); and acute-care hospitals (2.22), in particular—greater than 2.00:1 (Figure 5.4).



 $Table \ 5.5: Queens land \ Government \ health \ expenditure, for \ In digenous \ and \ non-In digenous \ people, by \ program, 2001-02$

	Exp	enditure (\$ milli	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Acute-care hospitals	198.1	2,449.0	7.5	1,573.16	699.11	2.25	
Admitted patient services	153.4	1,920.8	7.4	1,218.67	548.33	2.22	
Non-admitted patient services (a)	44.6	528.2	7.8	354.49	150.78	2.35	
Public (psychiatric) hospitals	7.9	121.4	6.1	62.83	34.64	1.81	
Services for older people	2.1	114.9	1.8	16.52	32.81	0.50	
Patient transport	19.4	214.4	8.3	154.14	61.21	2.52	
Public health activities ^(b)	7.8	119.1	6.1	61.78	33.99	1.82	
Communicable disease control	1.0	18.5	5.3	8.13	5.27	1.54	
Selected health promotion	2.4	23.7	9.2	19.08	6.77	2.82	
Organised immunisation	1.6	19.2	7.7	12.62	5.47	2.31	
Environmental health	0.7	10.9	5.6	5.18	3.11	1.67	
Food standards and hygiene	0.1	2.0	3.5	0.57	0.56	1.01	
Breast cancer screening	0.3	20.7	1.6	2.67	5.91	0.45	
Cervical screening	0.6	2.4	20.0	4.84	0.70	6.95	
Prevention of hazardous and harmful drug use	1.1	21.7	4.8	8.68	6.20	1.40	
Community health services	62.7	690.1	8.3	497.68	196.99	2.53	
Community mental health	8.4	141.1	5.6	66.47	40.28	1.65	
Other community health(c)	54.3	549.0	9.0	431.21	156.71	2.75	
Health research	1.3	35.6	3.5	10.15	10.16	1.00	
Health administration (nec)	2.8	57.0	4.7	22.43	16.28	1.38	
Other health services (nec)	0.3	4.8	5.3	2.15	1.37	1.57	
Total	302.3	3,806.3	7.4	2,400.84	1,086.57	2.21	
State funding of private hospitals	0.2	38.8	0.6	1.95	11.07	0.18	

⁽a) No split of expenditure on non-admitted patient services into expenditure on emergency departments and other non-admitted patient services was available for Queensland.

⁽b) Public health activities expenditure is reported using the NPHEP activity classifications.

⁽c) No separate estimates of expenditure on alcohol and other drug treatment services and dental services are available for Queensland.

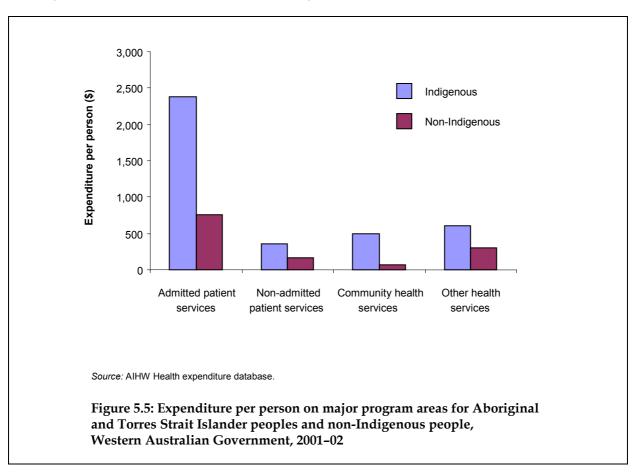
Western Australian Government expenditure

Western Australian Government expenditure on health services for Aboriginal and Torres Strait Islander peoples for 2001–02 was estimated to be \$253.8 million (Table 5.6). This accounted for 9.7% of the State Government's expenditure on health of more than \$2,628.9 million, compared to the States Indigenous population proportion of 3.5%.

Almost three-quarters (71.4%) of the Western Australian Government's expenditure on health for Aboriginal and Torres Strait Islander peoples in 2001–02 was for acute-care hospitals. Admitted patient services in acute-care hospitals represented the majority of this expenditure (\$157.4 million) and were 62.0% of all Indigenous health expenditure. A further 9.4% was for non-admitted patient services.

Community health services also constitute a large proportion of the total expenditure on Indigenous Australians (12.9%). The estimated Indigenous share of expenditure on these services was also high—estimated at 20.4%.

The State's estimated Indigenous expenditure averaged \$3,850.16 per person. This was, on average, almost three times that for non-Indigenous people (\$1,294.16).



The average expenditure estimates for Indigenous people were greater than for non-Indigenous people in all the major expenditure categories in Western Australia (Figure 5.5). For admitted patient services, the average for Indigenous people was \$2,387.24, compared with \$761.88 for non-Indigenous people. In the case of community health services, average expenditure for Indigenous Australians was \$495.97 per person—more than seven times that of non-Indigenous people (\$69.64). Similarly, average expenditure per person on

patient transport for Indigenous people was more than six times that for non-Indigenous people.

Table 5.6: Western Australian Government health expenditure, for Indigenous and non-Indigenous people, by program, 2001–02

	Exp	enditure (\$ milli	on)	Expendi	ture per person	(\$)
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio
Acute-care hospitals	181.2	1,693.8	9.7	2,748.22	922.95	2.98
Admitted patient services	157.4	1,398.2	10.1	2,387.24	761.88	3.13
Non-admitted patient services	23.8	295.6	7.5	360.98	161.07	2.24
Emergency departments	10.9	65.5	14.3	165.37	35.69	4.63
Other non-admitted patient services	12.9	230.1	5.3	195.66	125.38	1.56
Public (psychiatric) hospitals	4.2	54.8	7.1	63.55	29.87	2.13
Services for older people	8.8	122.8	6.7	133.78	66.90	2.00
Patient transport	1.7	7.8	17.9	25.78	4.25	6.07
Public health activities ^(a)	4.5	60.0	6.9	67.65	32.72	2.07
Communicable disease control	0.5	14.8	3.3	7.58	8.06	0.94
Selected health promotion	0.1	1.9	5.0	1.52	1.04	1.47
Organised immunisation	0.4	9.9	3.5	5.42	5.42	1.00
Environmental health	2.4	4.2	36.4	36.40	2.29	15.91
Food standards and hygiene	0.1	2.1	4.5	1.52	1.14	1.33
Breast cancer screening	0.3	9.4	3.1	4.55	5.12	0.89
Cervical screening	0.1	1.6	5.9	1.52	0.87	1.74
Prevention of hazardous and harmful drug use	0.5	14.0	3.5	7.63	7.63	1.00
Public health research	0.1	2.1	4.5	1.52	1.14	1.33
Community health services	32.7	127.8	20.4	495.97	69.64	7.12
Dental services	1.6	43.6	3.5	24.27	23.76	1.02
Community mental health	1.4	19.5	6.7	21.23	10.63	2.00
Alcohol and other drug treatment	0.3	9.7	3.0	4.55	5.29	0.86
Other community health	29.4	55.0	34.8	445.92	29.97	14.88
Health research	1.7	41.1	4.0	25.78	22.40	1.15
Health administration (nec)	5.8	80.7	6.7	87.69	43.98	1.99
Other health services (nec)	13.3	186.2	6.7	201.73	101.46	1.99
Total	253.8	2,375.1	9.7	3,850.16	1,294.16	2.98
State funding of private hospitals	1.2	68.1	1.7	18.38	37.09	0.50

⁽a) Reported expenditure for public health activities does not necessarily concur with NPHEP activity reporting. Source: AlHW Health expenditure database.

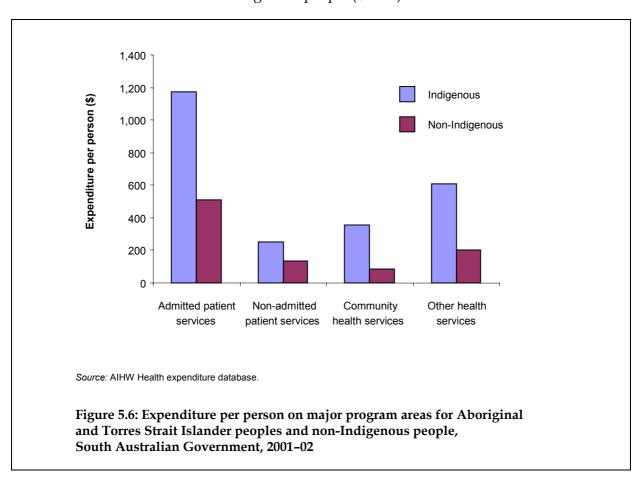
South Australian Government expenditure

The South Australian Government's expenditure on health for Aboriginal and Torres Strait Islander peoples during 2001–02 was estimated at \$61.0 million (Table 5.7). This accounted for 4.2% of the State Government's recurrent expenditure on health of \$1,460.0 million, compared to the Indigenous population proportion of 1.7% for the State.

Estimated expenditure on acute-care hospitals (\$36.5 million) accounted for almost two-thirds (59.8%) of the Government's total expenditure on Aboriginal and Torres Strait Islander peoples. The majority of this (\$30.0 million or 49.2%) was through expenditure on admitted patient services in acute-care hospitals. Community health services constitute the next largest Indigenous expenditure item at \$9.0 million, followed by non-admitted patient services at \$6.5 million.

Average expenditure per person on health for Aboriginal and Torres Strait Islander peoples was estimated at \$2,388.43 – 2.5 times that for the State's non-Indigenous people, which was estimated at \$941.33 per person.

Per person, average expenditure for Indigenous people was greater than for non-Indigenous people in respect of all the major categories in South Australia (Figure 5.6). For admitted patient services in acute-care hospitals, it was \$1,174.54 for Indigenous Australians, compared with \$512.51 for non-Indigenous people. In the case of community health services, an average of \$353.75 per person was spent on Aboriginal and Torres Strait Islanders — more than four times the rate for non-Indigenous people (\$86.53).



 $Table \ 5.7: South \ Australian \ Government \ health \ expenditure, for \ Indigenous \ and \ non-Indigenous \ people, by \ program, 2001-02$

	Exp	enditure (\$ milli	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Acute-care hospitals	36.5	966.8	3.6	1,429.21	650.52	2.20	
Admitted patient services	30.0	761.7	3.8	1,174.54	512.51	2.29	
Non-admitted patient services	6.5	205.1	3.1	254.66	138.00	1.85	
Emergency departments	3.9	110.4	3.4	152.72	74.30	2.06	
Other non-admitted patient services	2.6	94.7	2.7	101.94	63.70	1.60	
Public (psychiatric) hospitals	5.0	78.3	6.0	194.03	52.68	3.68	
Services for older people	0.1	40.0	0.3	4.82	26.92	0.18	
Patient transport	1.9	34.3	5.1	72.45	23.06	3.14	
Public health activities	2.0	64.8	3.0	78.31	43.61	1.80	
Communicable disease control	0.3	13.3	2.2	11.89	8.96	1.33	
Selected health promotion	0.3	10.8	3.0	13.00	7.24	1.80	
Organised immunisation	0.2	9.5	2.0	7.73	6.38	1.21	
Environmental health	0.1	5.9	1.7	4.11	3.97	1.03	
Food standards and hygiene	_	1.5	2.1	1.24	1.02	1.23	
Breast cancer screening	0.2	7.1	2.1	6.12	4.79	1.28	
Cervical screening	0.2	2.8	6.1	7.05	1.87	3.78	
Prevention of hazardous and harmful drug use	0.7	12.2	5.1	25.68	8.18	3.14	
Public health research	_	1.8	2.1	1.50	1.19	1.25	
Community health services	9.0	128.6	6.6	353.75	86.53	4.09	
Dental services	2.5	34.5	6.8	97.87	23.21	4.22	
Community mental health	0.5	4.4	9.4	17.81	2.96	6.01	
Alcohol and other drug treatment	0.4	4.2	9.3	16.79	2.82	5.96	
Other community health	5.7	85.5	6.2	221.28	57.54	3.85	
Health research	2.5	20.0	11.1	97.87	13.46	7.27	
Health administration (nec)	4.0	66.2	5.7	158.00	44.56	3.55	
Total	61.0	1,399.0	4.2	2,388.43	941.33	2.54	
State funding of private hospitals	_	2.1	_	0.01	1.38	0.01	

Tasmanian Government expenditure

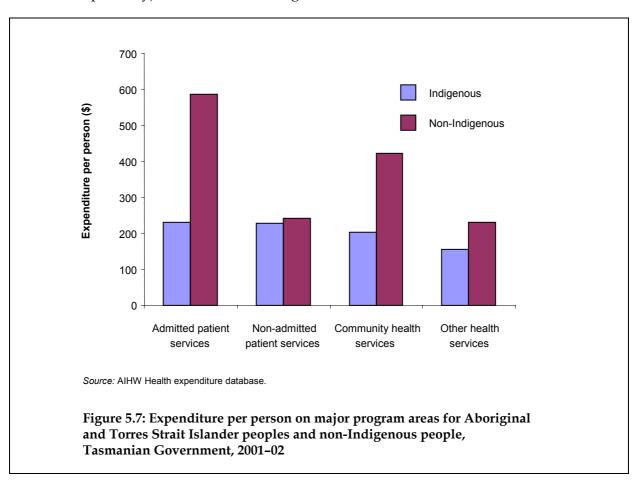
The Tasmanian Government's expenditure on health for Aboriginal and Torres Strait Islander peoples during 2001–02 was estimated at \$14.2 million (Table 5.8). This accounted for 2.1% of the State's estimated overall expenditure on health of \$685.9 million, compared to Tasmania's Indigenous population proportion of 3.7%.

Expenditure through acute-care hospitals was estimated to account for 56.2% of Tasmania's total expenditure on Aboriginal and Torres Strait Islander peoples. Although they only accounted for 1.9% of the State's expenditure on Indigenous people, public (psychiatric) hospitals were the area where the Indigenous share of total expenditure was largest (4.1%).

Tasmania was the only jurisdiction where the State Government's estimated expenditure on health for Aboriginal and Torres Strait Islander peoples (\$815.49 per person) was lower than its estimated average expenditure on health for non-Indigenous people (\$1,478.31 per person). The Indigenous/non-Indigenous expenditure ratio for Tasmania in 2001–02 was 0.55:1.

This tendency to spend more, on average, on non-Indigenous Australians was experienced across the whole range of the State Government's expenditures (Figure 5.7).

The lowest per person ratio related to expenditure on admitted patient services in acute-care hospitals (ratio of 0.39:1). In the case of non-admitted patient services, estimated average expenditures per person for Indigenous and non-Indigenous Tasmanians (\$227.93 and \$240.59, respectively) were of a similar magnitude.



 $Table \ 5.8: Tasmanian \ Government \ health \ expenditure, for \ Indigenous \ and \ non-Indigenous \ people, \\ by \ program, \ 2001-02$

	Exp	enditure (\$ mill	ion)	Expendit	ure per person	(\$)
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio
Acute-care hospitals	8.0	375.6	2.1	458.48	826.46	0.55
Admitted patient services	4.0	266.2	1.5	230.55	585.87	0.39
Non-admitted patient services	4.0	109.3	3.5	227.93	240.59	0.95
Emergency departments	0.4	9.9	3.5	20.73	21.88	0.95
Other non-admitted patient services	3.6	99.4	3.5	207.19	218.71	0.95
Public (psychiatric) hospitals	0.3	6.4	4.1	15.65	14.01	1.12
Patient transport	0.5	26.0	1.7	26.25	57.18	0.46
Public health activities	0.7	19.9	3.4	39.79	43.70	0.91
Communicable disease control	0.1	2.1	3.6	4.55	4.62	0.98
Selected health promotion	0.2	4.4	3.7	9.58	9.62	1.00
Organised immunisation	0.1	2.3	3.7	5.07	5.07	1.00
Environmental health	0.1	2.6	3.7	5.74	5.75	1.00
Food standards and hygiene	0.0	0.2	3.7	0.53	0.53	1.00
Breast cancer screening	0.0	2.6	1.5	2.21	5.74	0.39
Cervical screening	0.0	0.5	2.9	0.82	1.07	0.77
Prevention of hazardous and harmful drug use	0.2	4.9	3.7	10.86	10.87	1.00
Public health research	0.0	0.2	3.7	0.42	0.42	1.00
Community health services	3.5	191.3	1.8	201.55	420.91	0.48
Dental services	0.1	1.7	4.4	4.66	3.84	1.21
Community mental health	0.4	9.3	3.6	20.23	20.46	0.99
Alcohol and other drug treatment	0.9	22.0	4.1	53.90	48.50	1.11
Other community health	2.1	158.2	1.3	122.76	348.10	0.35
Health administration (nec)	0.8	46.6	1.8	47.94	102.52	0.47
Other health services (nec)	0.4	6.2	6.8	25.85	13.54	1.91
Total	14.2	671.8	2.1	815.49	1,478.31	0.55
State funding of private hospitals	0.1	21.0	0.3	3.91	46.25	0.08

Australian Capital Territory Government expenditure

The Australian Capital Territory Government's expenditure on health services for Aboriginal and Torres Strait Islander peoples for 2001–02 was estimated to be \$9.9 million (Table 5.9). This accounted for 2.2% of the Territory's total health expenditure of \$459.7 million, compared to a resident Indigenous population proportion of 1.2% for the territory.

Expenditure through acute-care hospitals was estimated to account for over two-thirds (70.1%) of the Territory's total expenditure on health for Aboriginal and Torres Strait Islander peoples. Of the \$7.0 million spent on acute-care hospitals, \$5.9 million was spent on admitted patient services, representing more than half (59.2%) of the Territory's total health expenditure on Indigenous Australians. In considering expenditure on admitted patient services, however, it must be borne in mind that Canberra's hospitals are a major health facility serving a large area of south-eastern New South Wales.

Expenditure for Aboriginal and Torres Strait Islander peoples was estimated to be \$2,538.46 per person—almost twice the Territory's average expenditure on health for non-Indigenous people (\$1,426.13).

On average, health expenditure by the Australian Capital Territory Government for Indigenous Australians was greater than for non-Indigenous people in all the major health areas (Figure 5.8). The two areas where that difference was most pronounced were community health services (ratio 2.28:1) and admitted patient services (1.77:1).

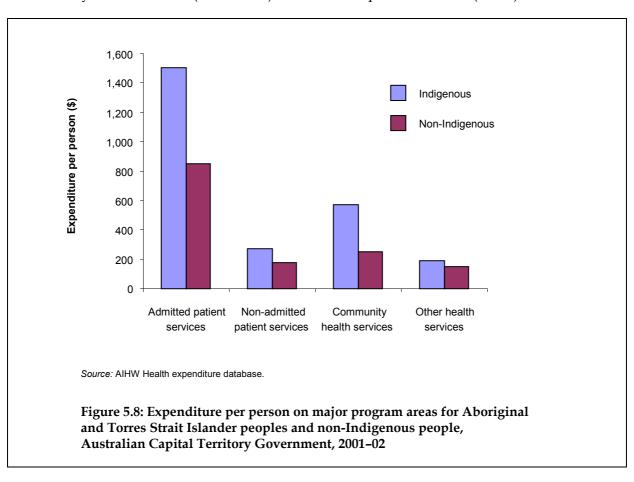


Table 5.9: Australian Capital Territory Government health expenditure, for Indigenous and non-Indigenous people, by program, (a) 2001–02

	Exp	enditure (\$ mill	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Acute-care hospitals ^(b)	7.0	323.3	2.1	1,778.69	1,024.99	1.74	
Admitted patient services(b)	5.9	267.8	2.1	1,503.47	849.03	1.77	
Non-admitted patient services (c)	1.1	55.5	1.9	275.22	175.95	1.56	
Patient transport	0.2	9.1	2.0	46.67	28.88	1.62	
Public health activities	0.3	22.4	1.2	67.26	71.00	0.95	
Communicable disease control	_	3.9	1.2	12.47	12.51	1.00	
Selected health promotion	_	2.9	1.2	9.02	9.05	1.00	
Organised immunisation	_	3.6	1.2	11.56	11.56	1.00	
Environmental health	_	2.1	1.2	6.52	6.54	1.00	
Food standards and hygiene	_	1.9	1.2	6.04	6.06	1.00	
Breast cancer screening	_	1.8	0.5	2.28	5.63	0.41	
Cervical screening	_	0.2	0.8	0.44	0.65	0.68	
Prevention of hazardous and harmful drug use	0.1	5.9	1.2	18.74	18.81	1.00	
Public health research	_	0.1	1.2	0.18	0.18	1.00	
Community health services	2.2	78.8	2.7	570.07	249.94	2.28	
Dental services	0.1	7.2	1.2	22.86	22.86	1.00	
Community mental health	0.4	20.4	2.1	113.31	64.63	1.75	
Alcohol and other drug treatment	0.8	8.9	7.8	194.41	28.37	6.85	
Other community health	0.9	42.3	2.2	239.48	134.08	1.79	
Health research	0.1	6.7	1.2	21.05	21.12	1.00	
Other health services (nec)	0.2	9.5	2.2	54.72	30.19	1.81	
Total	9.9	449.8	2.2	2,538.46	1,426.13	1.78	
State funding of private hospitals	_	_	_	_	0.04	_	

⁽a) All health administration expenditure has been apportioned across the expenditure categories.

⁽b) An estimated 22% of separations in the ACT are non-ACT residents; the expenditure per person rates have not been adjusted to account for this.

⁽c) No split of expenditure on non-admitted patient services into expenditure on emergency departments and other non-admitted patient services is available for the ACT. It is estimated that 12% of emergency department presentations in the ACT are of non-ACT residents; the expenditure per person estimates have not been adjusted to account for this.

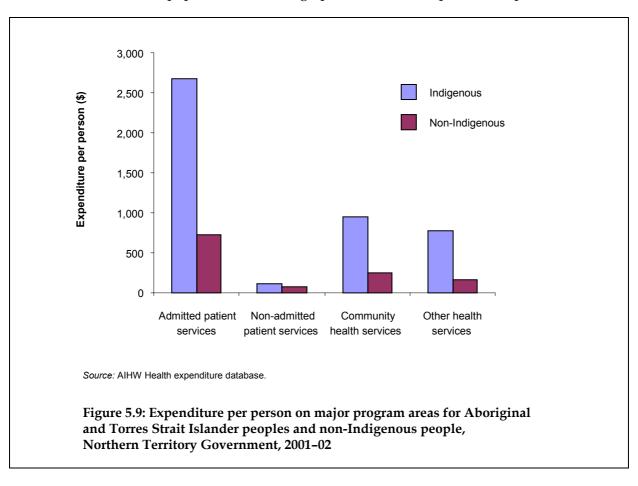
Northern Territory Government expenditure

The Northern Territory Government's expenditure on health services for Aboriginal and Torres Strait Islander peoples in 2001–02 was estimated at \$257.2 million (Table 5.10). This accounted for 60.1% of the Territory's total health expenditure of \$428.2 million. By way of comparison, the Indigenous proportion of the total territory population was 28.8%.

Estimated expenditure on acute-care hospitals accounted for 61.7% of the Northern Territory's total health expenditure for Aboriginal and Torres Strait Islander peoples.

The pattern is somewhat similar for other people in the Northern Territory—admitted patient services in acute-care hospitals (59.2%) and community health services (21.1%) make up most of the Territory's health expenditure.

Expenditure for Aboriginal and Torres Strait Islander peoples was estimated to be \$4,521.98 per person—almost four times that for non-Indigenous people in the Northern Territory (\$1,213.70). The relatively high average expenditures on Indigenous Australians result from a combination of factors, including the added costs involved in providing health care in remote locations and a population with a high prevalence of complex health problems.



Much of the health research expenditure incurred by the Territory Government related to issues of primary concern to Indigenous people. Consequently, the Indigenous to non-Indigenous expenditure per person ratio was high in respect of health research (14.04:1). Estimated average expenditure per person for Indigenous people was greater than for non-Indigenous people in all the major expenditure areas (Figure 5.9). For all areas except

non-admitted patient services (ratio 1.57:1), the average for Indigenous people was at least three times that for non-Indigenous people.

Table 5.10: Northern Territory Government health expenditure, for Indigenous and non-Indigenous people, by program,^(a) 2001–02

	Exp	enditure (\$ mill	ion)	Expenditure per person (\$)			
Health good or service type	Indigenous	Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Acute-care hospitals	158.6	112.2	58.6	2,788.15	796.61	3.50	
Admitted patient services	152.3	102.3	59.8	2,677.39	726.21	3.69	
Non-admitted patient services	6.3	9.9	38.8	110.76	70.40	1.57	
Emergency departments	5.4	7.4	42.5	95.70	52.17	1.83	
Other non-admitted patient services	0.9	2.6	25.0	15.06	18.24	0.83	
Patient transport	15.6	7.4	68.0	275.16	52.27	5.26	
Public health activities	24.2	14.1	63.1	424.86	100.17	4.24	
Communicable disease control	5.5	3.5	61.0	96.62	24.94	3.87	
Selected health promotion	6.8	2.2	76.0	120.22	15.32	7.84	
Organised immunisation	6.2	2.4	72.0	108.64	17.05	6.37	
Environmental health	2.0	1.7	54.0	34.50	11.86	2.91	
Food standards and hygiene	0.6	0.2	73.0	10.67	1.59	6.70	
Breast cancer screening	0.1	0.7	14.0	2.13	5.28	0.40	
Cervical screening	1.1	1.0	52.0	19.04	7.09	2.68	
Prevention of hazardous and harmful drug use	1.4	2.3	37.0	23.98	16.48	1.45	
Public health research	0.5	0.1	87.0	9.08	0.55	16.58	
Community health services	54.3	36.1	60.1	955.13	256.20	3.73	
Dental services	2.4	4.3	35.8	42.06	30.45	1.38	
Community mental health	4.8	6.6	42.2	84.70	46.89	1.81	
Alcohol and other drug treatment	5.0	4.1	55.0	88.32	29.12	3.03	
Other community health	42.1	21.1	66.6	740.05	149.74	4.94	
Health research	3.0	0.5	85.0	52.57	3.74	14.04	
Other health services (nec)	1.5	0.7	69.1	26.11	4.71	5.55	
Total	257.2	171.0	60.1	4,521.98	1,213.70	3.73	

⁽a) All health administration expenditure has been apportioned across the expenditure categories. Source: AlHW Health expenditure database.

State and territory government funding

Total health funding by state and territory governments during 2001–02 was estimated at \$13,095.9 million. Of this, an estimated 6.8% (\$885.7 million) was to fund health care for Indigenous people (Table 5.11). Generally, state and territory governments' Indigenous health funding was directed at services administered by the state and territory governments

themselves, the two largest of these services being public hospitals (\$371.8 million) and community health services (\$271.9 million).

Table 5.11: State and territory funding of health for Indigenous and non-Indigenous people, by service type and broad source of funding, current prices, Australia, 2001–02

	Fu	ınding (\$ millio	n)	Funding per person (\$)			
Health good or service type	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio	
Admitted patient services	373.4	5,628.8	6.2	814.39	296.96	2.74	
Private hospitals	1.6	172.9	0.9	3.43	9.12	0.38	
Public hospitals	371.8	5,456.0	6.4	810.97	287.84	2.82	
Non-admitted patient services	75.6	1,484.4	4.9	164.85	78.31	2.11	
Emergency departments	18.8	273.6	6.4	41.01	14.44	2.84	
Other services	56.8	1,210.7	4.5	123.83	63.87	1.94	
Public (psychiatric) hospitals	23.6	394.6	5.6	51.41	20.82	2.47	
Community health services (a)	271.9	2,762.5	9.0	593.00	145.74	4.07	
Services for older people	11.7	420.0	2.7	25.51	22.16	1.15	
Patient transport	47.6	327.7	12.7	103.82	17.29	6.01	
Public health activities	41.3	472.4	8.1	90.15	24.92	3.62	
Other health services ^(b)	40.6	719.9	5.3	88.53	37.98	2.33	
All health goods and services	885.7	12,210.2	6.8	1,931.66	644.18	3.00	

⁽a) Includes funding of dental services by states and territories.

In addition, some state and territory governments purchased services from private hospitals. This accounted for additional funding of \$174.4 million Australia-wide in state funding for private hospital services in 2001–02 (Table 5.12). The Indigenous share of this funding was relatively low—estimated at 0.9%—and more than three-quarters of this was to fund services in Western Australia, where several private hospitals in the north provide services for public patients.

⁽b) Includes health administration (nec), aids and appliances, pharmaceuticals and other health services (nec). Source: AIHW Health expenditure database.

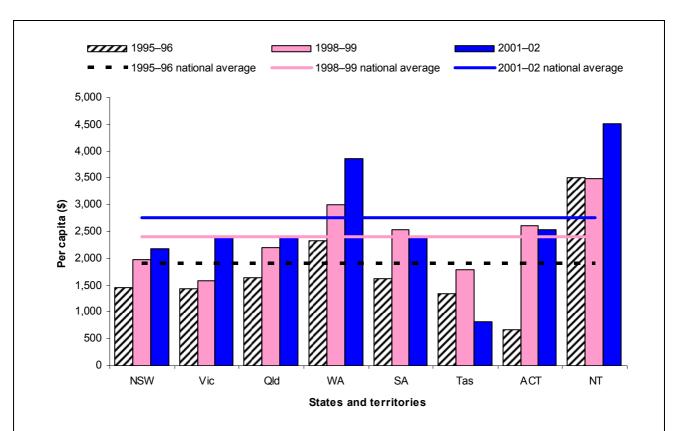
Table 5.12: Estimated state and territory government funding for private hospitals, Indigenous and non-Indigenous people, by state and territory, current prices, Australia, 2001–02

State and territory	Funding (\$ million)			Funding per person (\$)		
	Indigenous	Non- Indigenous	Indigenous share (%)	Indigenous	Non- Indigenous	Ratio
New South Wales	0.03	40.22	0.1	0.26	6.25	0.04
Victoria	0.01	2.70	0.4	0.38	0.57	0.68
Queensland	0.25	38.78	0.6	1.95	11.07	0.18
Western Australia	1.21	68.07	1.7	18.38	37.09	0.50
South Australia	_	2.06	_	0.01	1.38	0.01
Tasmania	0.07	21.01	0.3	3.91	46.25	0.08
Australian Capital Territory	_	0.01	_	_	0.04	_
Total	1.57	172.86	0.9	3.43	9.12	0.38

Changes in expenditure over time

Although there are substantial difficulties associated with comparing the results of this study with its predecessors for the reasons referred to in Chapter 1, one aspect that could be considered is how the expenditures of each of the jurisdictions have changed over time in relation to the national picture.

Of four jurisdictions that had reported average expenditures per person that were above the national average in 1998–99 (Western Australia, South Australia, Australian Capital Territory and Northern Territory), only Western Australia and the Northern Territory remained above the national average in 2001–02 (Figure 5.10). In this respect, the 2001–02 result is similar to the 1995–96 one.



(a) Constant price estimates for 1995–96 and 1998–99 have been calculated by applying specific implicit price deflators derived from the AIHW's Health expenditure database to the reported estimates of expenditure (at current prices) for the individual areas of expenditure.

Sources: 1995–96 current price estimates— Deeble et al. 1998:120–3; 1998–99 current price estimates—AIHW 2001; 2001–02 unpublished state and territory health expenditure data.

Figure 5.10: Average expenditure per person, incurred by state and territory governments on health for Aboriginal and Torres Strait Islander peoples, constant prices, (a) 1998–99 and 2001–02 (\$)