

Health expenditure bulletin

**No. 15
Australia's health services
expenditure to 1997–98**

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Contents

List of tables and figures	vii
1 Introduction	1
2 Health services expenditure and GDP	2
3 Funding of health services expenditure	4
Government sector funding of health services	5
Commonwealth Government.....	6
State and local governments.....	7
Government funding of public non-psychiatric hospitals.....	8
Non-government sector funding of health services	10
Funding of health services by health insurance funds.....	12
Individuals' out-of-pocket expenditure on health services	13
Other non-government sources of health services funding	13
4 Health services expenditure by type of expenditure	15
Recurrent health services expenditure.....	15
Outlays on capital.....	17
5 Health services expenditure per person	20
6 Health prices	21
Price of health insurance and health prices.....	22
Prices of dental services	22
7 Technical notes	23
Experimental health expenditure tables, by State and Territory	23
Methods used in producing State and Territory experimental estimates	23
Definitions, sources and notes.....	25
General	25
Price indexes	26
Revisions of definitions and estimates.....	28
Recognised public hospitals	28
Public psychiatric hospitals.....	28
Dental services.....	29
Research	29

Capital expenditure.....	29
Abbreviations and symbols used in tables.....	30
Other notes	30
8 Annual health expenditure matrices.....	31
9 References	39
Appendix A: Experimental State health expenditure matrices	41

List of tables and figures

Table 1:	Total health services expenditure, current and constant prices, and annual growth rates, 1989–90 to 1997–98.....	1
Table 2:	Total health services expenditure and Gross Domestic Product (GDP), current prices, 1989–90 to 1997–98.....	2
Table 3:	Total health services expenditure and Gross Domestic Product (GDP), constant prices, and annual growth rates, 1989–90 to 1997–98.....	3
Table 4:	Total health services expenditure, current prices, by source of funds, 1989–90 to 1997–98 (\$ million).....	4
Table 5:	Government and non-government sector expenditure, current prices, as a proportion of total health services expenditure, 1989–90 to 1997–98 (per cent) ...	5
Table 6:	Total health services expenditure, constant prices, and annual growth rates, by source of funds, 1989–90 to 1997–98.....	5
Table 7:	Government sector funding of health services, current prices, by type of funding, 1989–90 to 1997–98 (\$ million).....	6
Table 8:	Recurrent funding of public non-psychiatric hospitals, constant prices, by source of funds, 1989–90 to 1997–98 (\$ million).....	10
Table 9:	Proportion of non-government sector recurrent funding of health services, current prices, by source of funds, 1989–90 to 1997–98 (%).....	11
Table 10:	Non-government sector recurrent funding of health services, constant prices, and rate of growth, by source of funds, 1989–90 to 1997–98.....	12
Table 11:	Expenditure on health services funded from health insurance funds, by area of expenditure, current prices, 1989–90 to 1997–98 (\$ million).....	13
Table 12:	Proportion of recurrent health services expenditure, current prices, by area of expenditure, 1989–90 to 1996–97 (per cent).....	16
Table 13:	Growth in recurrent health services expenditure, constant prices ^(a) , by area of expenditure, 1989–90 to 1996–97 (per cent).....	17
Table 14:	Capital expenditure, current prices, by source of funds, 1989–90 to 1997–98 (\$ million).....	18
Table 15:	Capital expenditure, constant prices, and annual growth rates, by source of funds, 1989–90 to 1997–98.....	18
Table 16:	Health services expenditure per person, current and constant prices, and annual growth rates, 1989–90 to 1997–98.....	20
Table 17:	Total health price index and industry-wide indexes (reference year 1996–97 = 100), 1989–90 to 1997–98.....	21
Table 18:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1989–90, (\$ million).....	31
Table 19:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1990–91, (\$ million).....	32

Table 20:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1991–92, (\$ million)	33
Table 21:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1992–93, (\$ million)	34
Table 22:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1993–94, (\$ million)	35
Table 23:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1994–95, (\$ million)	36
Table 24:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1995–96, (\$ million)	37
Table 25:	Total health services expenditure, current prices, by area of expenditure and source of funds, 1996–97, (\$ million)	38
Figure 1:	Expenditure on public non-psychiatric hospitals, constant prices, by source of funds, 1989–90 to 1997–98 (\$ million)	9

1 Introduction

This bulletin is the fifteenth in the series of health expenditure bulletins produced by the Australian Institute of Health and Welfare since 1986. It provides estimates of total health services expenditure in Australia, at the aggregate level, on a per person basis and by source of funds, from 1989–90 to 1997–98.

As is the usual practice, the bulletin provides detailed national information on particular areas of expenditure such as hospitals, medical services, dental services and pharmaceuticals from 1989–90 to 1996–97. However, for the first time, the bulletin also publishes experimental health expenditure matrices for each of the States and Territories. These experimental tables cover the years 1995–96 and 1996–97 (see Technical Notes for cautions regarding the use of these tables).

The tables and figures in the bulletin detail expenditure in terms of current and constant prices. Constant price expenditure adjusts for the effect of inflation using chain volume measures. As the reference year for the chain volume measures is 1996–97, the constant price numbers indicate what expenditure would be if 1996–97 prices applied in all years.

Health services expenditure in Australia was estimated to be \$47.3 billion in 1997–98, an increase of \$3.0 billion on the 1996–97 estimate of \$44.3 billion (Table 1). The real rate of growth in 1997–98 was 5.1%, which was significantly higher than the average rate of growth in the period since 1989–90 of 4.1% per year. This high growth was partly due to a large growth in capital expenditure of 12.6% in 1997–98 (Table 15). Non-capital expenditure grew by 4.7% in 1997–98.

Per person expenditure on health services was \$2,536 in 1997–98—an increase of \$133 since 1996–97 (Table 16). The increase in real per person expenditure during 1997–98 (3.9%) was higher than the annual average rate of increase over the period since 1989–90 (2.9%).

Table 1: Total health services expenditure, current and constant prices^(a), and annual growth rates, 1989–90 to 1997–98

Year	Amount (\$ million)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1989–90	28,800	33,751	..	..
1990–91	31,270	34,524	8.6	2.3
1991–92	33,087	35,513	5.8	2.9
1992–93	34,993	37,077	5.8	4.4
1993–94	36,787	38,593	5.1	4.1
1994–95	38,967	40,278	5.9	4.4
1995–96	41,783	42,421	7.2	5.3
1996–97	44,279	44,279	6.0	4.4
1997–98 ^(b)	47,267	46,544	6.7	5.1
Average annual growth rates				
1989–90 to 1992–93			6.7	3.2
1992–93 to 1997–98			6.2	4.7
1989–90 to 1997–98			6.4	4.1

(a) Constant price health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

(b) Based on preliminary Australian Institute of Health and Welfare (AIHW) and Australian Bureau of Statistics (ABS) estimates.

Source: AIHW health expenditure database.

2 Health services expenditure and GDP

The relationship between expenditure on health services and Gross Domestic Product (GDP) gives a broad indication of the affordability of the nation's health system. In 1997–98 the health services expenditure to GDP ratio was 8.4%. This was higher than the 8.3% recorded in the previous year, and was higher than the overall average of 8.2% for the years since 1991–92 (Table 2).

Table 2: Total health services expenditure and Gross Domestic Product (GDP), current prices, 1989–90 to 1997–98

Year	Total health services expenditure	Gross domestic product	Health services expenditure to GDP ratio ^(a)
	\$ million		%
1989–90	28,800	383,497	7.5
1990–91	31,270	396,238	7.9
1991–92	33,087	405,933	8.2
1992–93	34,993	426,985	8.2
1993–94	36,787	449,452	8.2
1994–95	38,967	474,646	8.2
1995–96	41,783	508,806	8.2
1996–97	44,279	532,204	8.3
1997–98	^(b) 47,267	565,071	8.4

(a) These ratios are lower than the health expenditure to GDP ratios published in *Health Expenditure Bulletin No. 14*, because the ABS increased GDP by an average of 3% to bring the Australian National Accounts into line with new international standards. Further details are contained in the technical notes.

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database; ABS *Australian National Accounts: National Income, Expenditure and Product* (Cat. No. 5206.0).

Growth in real health services expenditure between 1989–90 and 1997–98 averaged 4.1% per year. This was higher than the average annual rate of growth (3.1%) for real GDP over the same period (Table 3). As a result, and given that health and GDP prices increase by similar amounts, the health services expenditure to GDP ratio was higher (8.4%) in 1997–98 than at the beginning of the period (7.5% in 1989–90). Most of the increase occurred during the recession in 1990 to 1991 when real GDP fell, but health expenditure continued to grow. In the 6 years since the recession—1991–92 to 1997–98—real health expenditure grew at 4.6% per year and GDP grew at 4.1% per year, resulting in the increase from 8.2% of GDP in 1991–92 to 8.4% in 1997–98 (Table 2).

Table 3: Total health services expenditure and Gross Domestic Product (GDP), constant prices^(a), and annual growth rates, 1989–90 to 1997–98

Year	Total health services expenditure		GDP	
	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)
1989–90	33,751	..	437,092	..
1990–91	34,524	2.3	435,778	-0.3
1991–92	35,513	2.9	436,845	0.2
1992–93	37,077	4.4	453,061	3.7
1993–94	38,593	4.1	471,834	4.1
1994–95	40,278	4.4	493,682	4.6
1995–96	42,421	5.3	515,866	4.5
1996–97	44,279	4.4	532,204	3.2
1997–98	^(b) 46,544	5.1	556,978	4.7
Average annual growth rates				
1989–90 to 1992–93		3.2		1.2
1992–93 to 1997–98		4.7		4.2
1989–90 to 1997–98		4.1		3.1

(a) Constant price health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database; ABS *Australian National Accounts: National Income, Expenditure and Product* (Cat. No. 5206.0).

3 Funding of health services expenditure

Responsibility for the funding of health services in Australia is shared between all levels of government and the non-government sector. In 1997–98, the government sector contribution was \$32,647 million (Table 4). This was 69.1% of total health expenditure and represents an increase on the 67.2% contribution provided by governments in 1996–97, and on the proportions earlier in the 1990s (Table 5).

The relative shares of the Commonwealth Government and the State and local governments fluctuated considerably over the period 1989–90 to 1997–98. The Commonwealth share went from 42.2% in 1989–90 to a peak of 45.6% in 1995–96, down to 44.8% in 1996–97 and then up to 45.5% in 1997–98. The State Governments' share showed somewhat of a reverse pattern—first declining consistently from 26.1% in 1989–90 to 21.4% in 1993–94, but then increasing each year to 23.6% in 1997–98.

The decline in the non-government share from 32.8% in 1996–97 to 30.9% in 1997–98 and a corresponding increase in the Commonwealth share, was partly due to the Private Health Insurance Incentives Scheme (PHIIS). This scheme commenced on 1 July 1997. It provided an income-tested financial incentive to take out and maintain private health insurance cover, and was estimated to cost \$419 million in 1997–98. (See also p. 6 and p. 11).

Table 4: Total health services expenditure, current prices, by source of funds, 1989–90 to 1997–98 (\$ million)

Year	Government sector			Non-government sector ^(a)	Total health services expenditure
	Commonwealth ^(a)	State & local	Total		
1989–90	12,164	7,513	19,677	9,122	28,800
1990–91	13,200	7,958	21,158	10,112	31,270
1991–92	14,167	8,138	22,305	10,783	33,087
1992–93	15,273	8,202	23,494	11,499	34,993
1993–94	16,665	7,868	24,550	12,237	36,787
1994–95	17,551	8,460	26,010	12,957	38,967
1995–96	19,033	9,260	28,293	13,490	41,783
1996–97	19,818	9,959	29,777	14,503	44,279
1997–98 ^(b)	21,488	11,159	32,647	14,620	47,267

(a) Expenditure by the Commonwealth Government and the non-government sector has been adjusted for tax expenditures (see Table 7 for health services tax expenditures).

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 5: Government and non-government sector expenditure, current prices, as a proportion of total health services expenditure, 1989–90 to 1997–98 (per cent)

Year	Government sector			Non-government sector ^(a)	Total health services expenditure
	Commonwealth ^(a)	State & local	Total		
1989–90	42.2	26.1	68.3	31.7	100.0
1990–91	42.2	25.5	67.7	32.3	100.0
1991–92	42.8	24.6	67.4	32.6	100.0
1992–93	43.7	23.4	67.1	32.9	100.0
1993–94	45.3	21.4	66.7	33.3	100.0
1994–95	45.0	21.7	66.7	33.3	100.0
1995–96	45.6	22.2	67.7	32.3	100.0
1996–97	44.8	22.5	67.2	32.8	100.0
1997–98 ^(b)	45.5	23.6	69.1	30.9	100.0

(a) Expenditure by the Commonwealth Government and the non-government sector has been adjusted for tax expenditures (see Table 7 for health services tax expenditures).

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Government sector funding of health services

Between 1988–89 and 1997–98, real expenditure by the Commonwealth Government grew at an average of 4.9% per year (Table 6). At the same time, State and local governments' real expenditure grew at an average of 3.0% per year, while the non-government sector experienced average real growth of 3.9% per year.

Table 6: Total health services expenditure, constant prices^(a), and annual growth rates, by source of funds, 1989–90 to 1997–98

Year	Government sector				Non-government sector total ^(b)		All sectors total	
	Commonwealth ^(b)		State & local		Amount	Rate of	Amount	Rate of
	Amount	Rate of	Amount	Rate of				
1989–90	14,209	2.7	8,670	2.8	10,876	6.6	33,751	3.9
1990–91	14,482	1.9	8,720	0.6	11,323	4.1	34,524	2.3
1991–92	15,140	4.5	8,698	−0.2	11,675	3.1	35,513	2.9
1992–93	16,171	6.8	8,681	−0.2	12,225	4.7	37,077	4.4
1993–94	17,473	8.1	8,259	−4.9	12,862	5.2	38,593	4.1
1994–95	18,127	3.7	8,758	6.1	13,392	4.1	40,278	4.4
1995–96	19,340	6.7	9,387	7.2	13,694	2.3	42,421	5.3
1996–97	19,818	2.5	9,959	6.1	14,503	5.9	44,279	4.4
1997–98 ^(c)	21,199	7.0	10,967	10.1	14,378	−0.9	46,544	5.1
Average annual growth rates^(d)								
1988–89 to 1992–93		4.0		0.7		4.6		3.4
1992–93 to 1997–98		5.6		4.8		3.3		4.7
1988–89 to 1997–98		4.9		3.0		3.9		4.1

(a) Constant price health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

(b) Commonwealth Government and non-government sector expenditure has been adjusted for tax expenditures. Tax expenditures at constant prices are calculated using chain volume measures with the reference year of 1996–97. The constant price estimates of tax expenditure were: 1989–90 \$73 million; 1990–91 \$95 million; 1991–92 \$89 million; 1992–93 \$97 million; 1993–94 \$100 million; 1994–95 \$95 million; 1995–96 \$143 million; 1996–97 \$137 million; 1997–98 \$179 million in general tax health rebates and \$164 million in PHHS tax rebates.

(c) Based on preliminary AIHW and ABS estimates.

(d) Periods covered by these average annual growth rates relate to periods of the Commonwealth/State medicare agreements.

Source: AIHW health expenditure database.

During 1997–98, governments (Commonwealth, State and local) expended \$32,647 million (current prices) on the funding of health services in Australia (Table 7). Of that, services funded through State and local government authorities were worth \$16,702 million making State and local governments the most important providers of health services. However, the Commonwealth Government remains the most important funder of health services. It funded a total of \$21,488 million (current prices) or 65.8% of government funding for health services.

About three-quarters of the Commonwealth’s funding (74.2%) was directed at services for which the Commonwealth itself had primary responsibility. The remaining \$5,543 million was in the form of Specific Purpose Payments (SPPs) to State and local governments to support services provided by or through them (Table 7).

Table 7: Government sector funding of health services, current prices, by type of funding, 1989–90 to 1997–98 (\$ million)

Year	Commonwealth Government			Net State and local government expenditure ^(b)	Total government sector
	Direct expenditure ^(a)	Taxation expenditure	SPPs to other levels of government		
1989–90	8,551	61	3,553	7,513	19,677
1990–91	9,288	85	3,827	7,958	21,158
1991–92	10,065	82	4,020	8,138	22,305
1992–93	10,920	91	4,262	8,202	23,494
1993–94	11,763	95	4,808	7,868	24,550
1994–95	12,391	91	5,068	8,460	26,010
1995–96	13,670	141	5,222	9,260	28,293
1996–97	14,333	137	5,348	9,959	29,777
1997–98 ^(c)	15,595	^(d) 350	5,543	11,159	32,647

(a) Direct expenditures by the Commonwealth refers to all types of payments made by the Commonwealth Government that are not SPPs to or for the States and Territories.

(b) Net expenditure is total outlays by State and Territory Governments and by local government authorities net of revenue and SPPs.

(c) Based on preliminary AIHW and ABS estimates.

(d) \$182 million of general health tax rebates and \$167 million of PHIIS tax rebates.

Source: AIHW health expenditure database.

Commonwealth Government

The Commonwealth Government’s funding of health services takes a number of different forms. It includes direct benefit payments and subsidies to individuals; payments to non-government service providers and provider organisations; purchases of goods and services; and SPPs to State and Territory Governments. A further amount of Commonwealth Government funding takes the form of taxation expenditures. The taxation expenditures included in this publication are taxation rebates for health-related expenditures above a particular threshold in any year (20 cents in each dollar for expenditures that exceed \$1,250 in 1997–98) and taxation rebates under the Private Health Insurance Incentive Schemes (PHIIS), which was introduced in 1997–98. Benefits from the Private Health Insurance Incentives Scheme could be taken in the form of reduced premiums or as income tax rebates. In 1997–98 \$252 million was paid out in reduced premiums, and there was an estimated expense of \$167 million in income tax rebates.

The main area of expenditure funded by the Commonwealth Government was medical services where it spent \$6,713 million in 1996–97 (Table 25). This represented 34.3% of all

recurrent expenditure on health services by the Commonwealth, up from 33.0% in 1989–90. Commonwealth expenditure on all public non-psychiatric hospitals in 1996–97 was \$5,395 million, or 27.5% of the Commonwealth's total recurrent health services expenditure, down from 32.6% in 1989–90. Nursing homes (\$2,298 million in 1996–97) and pharmaceuticals (\$2,718 million) were the next highest areas of expenditure by the Commonwealth. Between 1989–90 and 1996–97 expenditure on nursing homes, as a proportion of the Commonwealth's recurrent expenditure, fell from 12.8% to 11.7%. Funding of pharmaceuticals grew from 10.6% to 13.9% over the same period.

SPPs from the Commonwealth Government can take the form of grants for capital or recurrent purposes. In 1997–98 they totalled \$5,543 million (Table 7). Between 1989–90 and 1994–95, SPPs averaged about 28.7% of total Commonwealth Government expenditure on health. After 1994–95 their relative importance declined—to 27.4% of total Commonwealth Government expenditure in 1995–96; to 27.0% in 1996–97; and then to 25.8% in 1997–98.

Most funding provided by the Commonwealth to the States and Territories through the SPPs is directed towards public hospital services. On the other hand, most of the Commonwealth's direct expenditure is in the form of payments and subsidies to individuals and non-government service providers (e.g. Medicare benefits, pharmaceutical benefits and nursing home benefits).

In the early 1990s, the rate of growth of expenditure on both medical services and pharmaceuticals was higher than the growth of expenditure on public hospitals. In the mid to late 1990s the growth of medical expenditure slowed while the growth of public hospital expenditure increased and growth in pharmaceutical expenditure remained high.

State and local governments

In this analysis, expenditures by State and Territory Governments and expenditure by local government authorities have been combined into the category 'State and local governments'. This is because it is not possible to separate them in some cases. However, by far the greater proportion of expenditure by State and local governments is incurred by the State and Territory Governments.

State and local governments fund the services that they provide, or that are provided on their behalf, through a mixture of funds provided from their own revenue sources and through SPPs from the Commonwealth. A State's 'own-source' funding refers to funding provided out of the general consolidated funds of the State. It does not include revenues received by institutions and services within the health sector. Those revenues are counted as expenditure by: (a) individuals; (b) other non-government sources; or (c) Department of Veterans' Affairs (DVA). For example, State and local government funding of public hospitals does not include revenue received by public hospitals in respect of private inpatient services they provide. It also excludes revenue received by hospitals from workers' compensation and compulsory motor vehicle third-party insurers in respect of treatment provided to compensable patients or from DVA for the treatment, free of charge, of eligible veterans and their dependants. State 'own-source' funding includes funding that may have come from general revenue grants that flow from the Commonwealth Government, but does not include SPPs.

In the period of the last Medicare Agreement from 1992–93 to 1997–98, the rate of real growth in funding of health services by the Commonwealth Government was 5.6% per year and the rate of real growth in funding by State and local governments was 4.8% per year (Table 6). In the first year 1992–93 to 1993–94, Commonwealth funding grew by 8.1%, and State and local Government funding fell by 4.9%. In the period 1993–94 to 1997–98, funding

by the Commonwealth Government grew by 5.0% per year and funding by State and local governments grew by 7.3% per year.

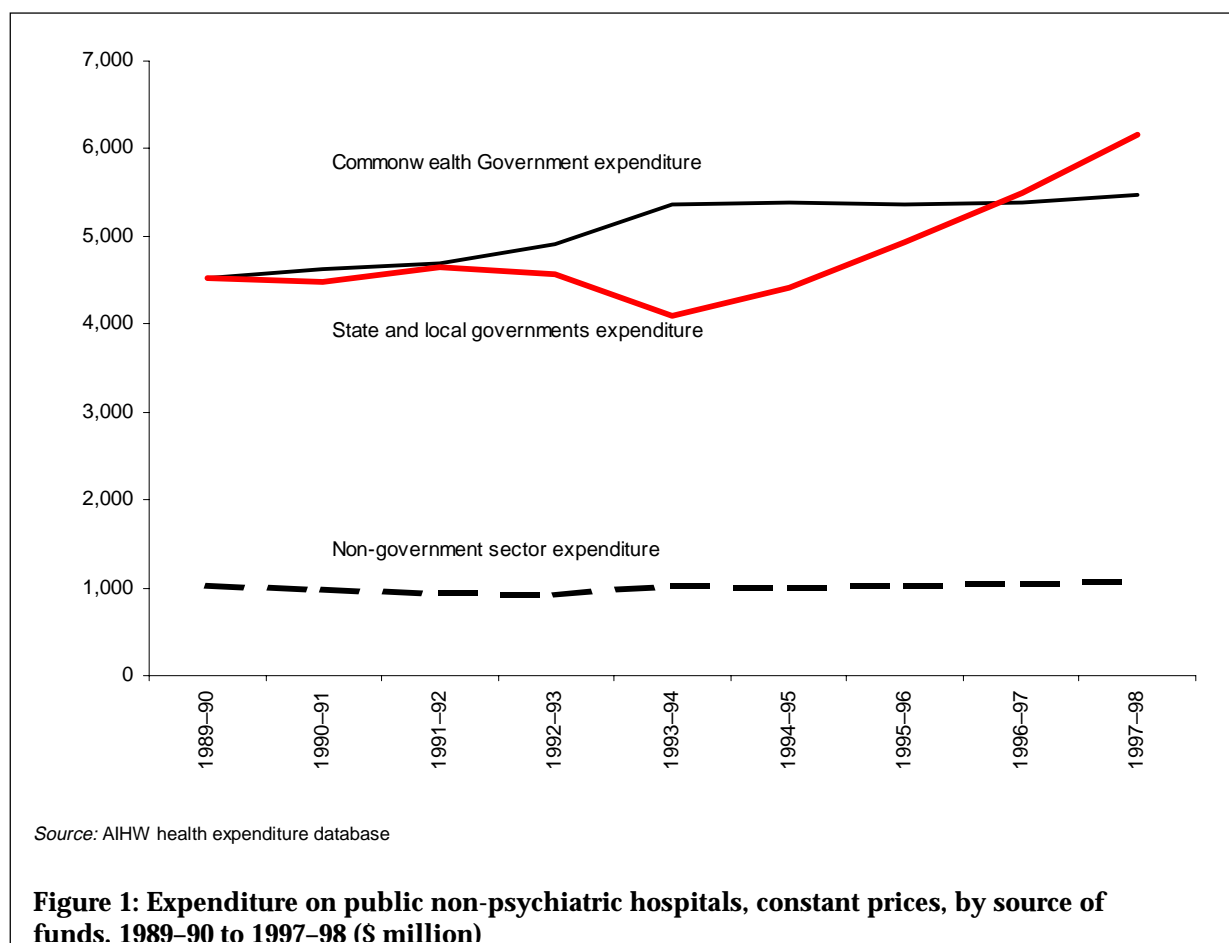
Funding of public non-psychiatric hospitals by State and local governments during 1996–97 was \$5,541 million (Table 25). This represented 66.5% of all ‘own-source’ funding for recurrent health services by State and local government authorities in that year. In 1989–90 funding of public non-psychiatric hospitals had accounted for 61.1% of recurrent expenditure by State and local governments (Table 18).

Government funding of public non-psychiatric hospitals

Since 1975, the Commonwealth Government and the State and Territory Governments have jointly funded the operating costs of most non-psychiatric public hospitals in Australia under various Commonwealth/State agreements. Under those agreements, the hospitals whose operating costs have been shared have been referred to as ‘recognised’ hospitals. In addition, DVA operated its own repatriation hospitals, which as well as providing care to eligible veterans and their dependants, provided public hospital care to community patients. In recent years, the DVA has ceased its responsibility for the operation of these hospitals. Some of the Repatriation General Hospitals (RGHs) have been subsumed into the States’ hospital systems. Others such as the RGH Greenslopes and the RGH Hollywood have been sold to the private sector.

In parts of this analysis, expenditure on those hospitals that made up the categories of ‘recognised public hospitals’ and ‘repatriation hospitals’ has been combined and referred to as ‘public non-psychiatric hospitals’.

In the period of the last Medicare Agreement, between 1992–93 and 1997–98, government sector funding of public non-psychiatric hospitals grew by 4.2% per year in real terms. Commonwealth funding grew by an average of 2.2% per year, while funding by State and Territory Governments increased at 6.2% per year (Figure 1 and Table 8).



The Commonwealth Government's funding for public non-psychiatric hospitals increased by 1.5% in 1997-98. This followed an increase of 0.4% in 1996-97 and a 0.1% decrease in 1995-96. The decrease in 1995-96 and low growth in 1996-97 was partly due to a reduction in the funding provided to public non-psychiatric hospitals by DVA in respect of eligible veterans and their dependants. Commonwealth funding other than DVA funding grew 3.0% in real terms in 1995-96, by 0.9% in 1996-97 and 2.8% in 1997-98, and by an average of 3.4% per year for the period 1992-93 to 1997-98.

The fall in funding by DVA reflects a change in the way it provides for the hospital care needs of its clients. In recent years DVA clients have increasingly used private hospitals rather than public hospitals. In 1994-95, DVA funding of public non-psychiatric hospitals was 71% of total hospital funding by DVA. In 1996-97 it was 55%. In 1994-95, DVA provided a total of \$609 million—constant prices—to fund public non-psychiatric hospitals; in 1996-97 this had fallen to \$438 million. This trend continued into 1997-98, when DVA's constant price expenditure for veterans in public non-psychiatric hospitals was \$380 million.

State Governments' funding of public non-psychiatric hospitals increased substantially in 1995-96, 1996-97 and 1997-98. In constant prices, funding increased by \$508 million in 1995-96, \$560 million in 1996-97, and \$677 million in 1997-98. This was an average increase of 11.8% per year. Part of the increase in 1995-96 and 1996-97 was due to the reclassification of public psychiatric hospitals as recognised hospitals. This occurred to a significant extent in Victoria, where reclassification was part of that government's main-streaming of psychiatric services. In 1996-97 public psychiatric hospital expenditure in Victoria reduced

by \$75 million and expenditure on recognised public hospitals increased by a similar amount, due to this reclassification.

Table 8: Recurrent funding of public non-psychiatric hospitals, constant prices^(a), by source of funds, 1989–90 to 1997–98 (\$ million)

Year	Commonwealth			State and local		Government total		Non-government sector		Total all sectors		
	DVA	Other ^(b)	Total	\$ million	%	\$ million	%	\$ million	%	\$ million	%	
	\$ million											
1989–90	598	3,927	4,525	-0.2	4,526	4.5	9,050	2.1	1,041	-3.8	10,091	1.4
1990–91	632	4,004	4,635	2.4	4,483	-0.9	9,119	0.8	999	-4.0	10,118	0.3
1991–92	622	4,068	4,690	1.2	4,662	4.0	9,352	2.6	948	-5.1	10,300	1.8
1992–93	600	4,307	4,907	4.6	4,564	-2.1	9,471	1.3	924	-2.6	10,395	0.9
1993–94	648	4,707	5,355	9.1	4,084	-10.5	9,439	-0.3	1,033	11.8	10,472	0.7
1994–95	609	4,767	5,376	0.4	4,422	8.3	9,798	3.8	1,018	-1.5	10,816	3.3
1995–96	461	4,912	5,372	-0.1	4,930	11.5	10,302	5.1	1,044	2.6	11,347	4.9
1996–97	438	4,956	5,395	0.4	5,490	11.4	10,884	5.7	1,059	1.4	11,943	5.3
1997–98	380	5,093	5,473	1.5	6,167	12.3	11,640	6.9	1,087	2.7	12,727	6.6
Average annual growth rates^(c)												
1988–89 to 1992–93			2.0	1.3	1.7	-3.9	1.1					
1992–93 to 1997–98			2.2	6.2	4.2	3.3	4.1					
1988–89 to 1997–98			2.1	4.0	3.1	0.1	2.8					

(a) Constant price health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

(b) Almost all of the 'other' Commonwealth expenditure is expenditure through programs administered by the Commonwealth Department of Health and Aged Care.

(c) Periods covered by these average annual growth rates relate to periods of the Commonwealth/State medicare agreements.

Source: AIHW health expenditure database.

The major driver of the high growth in State funding of public non-psychiatric hospitals in the last 3 years was the higher growth in total expenditure by recognised public hospitals. The period 1988–89 to 1992–93 saw an average growth in expenditure on public non-psychiatric hospitals of 1.1% per year. The period 1992–93 to 1997–98—the period of the second Medicare Agreement—saw an average growth of 4.1% per year. In order to pay for this higher growth the State and Territory Governments have had to substantially increase their share of the funding in recent years. That funding task was more difficult for the States in 1997–98 because of the decline in revenue from non-government sources such as private patient charges.

Over the whole period from 1988–89 to 1997–98, State and local governments' funding of public non-psychiatric hospitals grew more rapidly than did funding by the Commonwealth—4.0% per year by the States and local governments compared with 2.1% per year by the Commonwealth (Figure 1 and Table 8). The Commonwealth funding had two components. The DVA funding of public non-psychiatric hospitals shrank by 4.3% per year. Commonwealth funding (excluding DVA) grew by 2.8% per year.

Non-government sector funding of health services

Non-government sector sources of funding are quite diverse, depending on the type of health service concerned. They include funding through:

- health insurance funds;

- workers' compensation insurers;
- compulsory motor vehicle third-party insurers;
- fees charged to individual service users ('out-of-pocket' payments); and
- funds raised from other non-government sources by health institutions (including interest earned, charges for non-health services, donations and bequests, etc.).

In terms of the ABS nomenclature in its *Standard Economic Sector Classifications of Australia* (ABS 1998b), the non-government sector consists of the following sectors—Corporations; Non-profit institutions serving households; and Households.

During 1996–97, expenditure by non-government sector sources to fund health services totalled \$14,639 million (Table 25). Of this, \$13,667 million was used for recurrent purposes and \$972 million was used for capital purposes. A portion of these recurrent expenditures was subsequently recovered by the non-government sector through tax expenditures by the Commonwealth. This resulted in net recurrent expenditure by the non-government sector of \$13,530 million.

Table 9: Proportion of non-government sector recurrent funding of health services, current prices, by source of funds, 1989–90 to 1997–98 (%)

Year	Health insurance funds ^(a)	Other non-government sources			Total non-government sector
		Payments by individuals ^(a)	Other non-government sources (nec)	Total	
1989–90	36.8	52.0	11.1	63.1	100.0
1990–91	36.5	53.0	10.4	63.4	100.0
1991–92	37.0	54.1	8.8	63.0	100.0
1992–93	36.9	54.3	8.9	63.1	100.0
1993–94	35.8	54.1	10.0	64.1	100.0
1994–95	34.6	54.0	11.4	65.3	100.0
1995–96	35.0	51.6	13.3	64.9	100.0
1996–97	34.7	51.3	13.8	65.1	100.0
1997–98	31.3	n.a.	n.a.	^(b) 68.8	100.0

(a) 'Payments by individuals' and 'Health insurance funds' have been adjusted for tax expenditures (see Table 7 for health services tax expenditures). 'Health insurance funds' have been adjusted for the PHIS part of tax expenditures which is worth \$167m.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

In 1996–97 health insurance funds provided just over one-third (34.7%) of recurrent non-government expenditure; payments by individuals (less tax expenditures) accounted for more than half (51.3%); and other sources contributed 13.8% (Table 9). These proportions have not changed greatly since 1989–90. For example, the contribution by health insurance funds rose from 36.8% of non-government funding in 1989–90 to 37.0% in 1991–92 and then fell to 34.7% in 1996–97. Growth in expenditure by individuals moved in the same general direction as health insurance funds. It rose from 52.0% of non-government sector funding in 1989–90 to 54.3% in 1992–93 and then fell gradually to 51.3% in 1996–97. The major moves have been in 'other non-government sources (nec)'. These have fluctuated between 8.8% in 1991–92 and 13.8% in 1996–97.

Recurrent funding of health services by non-government sector sources increased at an average of 3.4% between 1989–90 and 1997–98 (Table 10).

Table 10: Non-government sector recurrent funding of health services, constant prices^(a), and rate of growth, by source of funds, 1989–90 to 1997–98

Year	Health insurance premiums ^(b)		Individuals ^(b)		Other non-government		Total non-government	
	Amount (\$ million)	Rate of growth (%)	Amount (\$ million)	Rate of growth (%)	Amount (\$ million)	Rate of growth (%)	Amount (\$ million)	Rate of growth (%)
1989–90	3,770	..	5,349	..	1,117	..	10,236	..
1990–91	3,973	5.4	5,738	7.3	1,114	-0.3	10,826	5.8
1991–92	4,160	4.7	6,010	4.7	979	-12.1	11,149	3.0
1992–93	4,289	3.1	6,222	3.5	1,029	5.1	11,540	3.5
1993–94	4,337	1.1	6,472	4.0	1,210	17.6	12,020	4.2
1994–95	4,384	1.1	6,766	4.5	1,440	19.0	12,590	4.7
1995–96	4,520	3.1	6,623	-2.1	1,733	20.3	12,876	2.3
1996–97	4,700	4.0	6,938	4.8	1,892	9.2	13,530	5.1
1997–98	4,179	-11.1	n.a.	n.a.	n.a.	n.a.	13,399	-1.0
Average annual growth rates								
1989–90 to 1992–93		4.4		4.1		2.8		4.1
1992–93 to 1997–98		-0.5		n.a.		n.a.		3.0
1989–90 to 1997–98		1.3		n.a.		n.a.		3.4

(a) Constant price health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

(b) Expenditure by individuals and health insurance funds has been adjusted for tax expenditures (see footnote (b) Table 6).

Source: AIHW health expenditure database.

Funding of health services by health insurance funds

Private health insurance funds paid out \$4,680 million for health services and administration costs in 1997–98 (Table 11). This was 9.8% of total expenditure on health services. The 1997–98 proportion was lower than 1996–97 and continued a downward trend that began in 1991–92, when it reached a peak of 11.5%.

In 1997–98 the Government introduced the Private Health Insurance Incentives Scheme which subsidised the purchase of health insurance by consumers by approximately \$419 million in current prices (\$412 million in constant prices). This reduced the contribution to funding the health system that came from insured persons' contributions to health insurance premiums by 11.1% (Table 10). Thus the 9.8% of total expenditure (Table 11) for which health insurance funds were responsible in 1997–98 can be considered to be 91% funded from individuals paying their premiums and 9% funded by the Commonwealth Government.

The major area funded by health insurance funds is private hospitals. In 1997–98 funding of private hospitals by health insurance funds totalled \$2,429 million or 58.7% of all fund benefits paid, having risen from 45.1% in 1989–90. Expenditure from private health insurance funds on public hospitals, on the other hand, fell from 19.0% of total fund benefits paid in 1989–90 to 7.7% in 1997–98.

In terms of their contribution to the funding of expenditure on hospitals, payments by private health insurance funds accounted for 69.8% of all funding for private hospitals in 1996–97 (the latest year for which comprehensive data are available on an 'area of expenditure' basis)—this was down from 72.6% in 1989–90. They accounted for 3.0% of the funding of public non-psychiatric hospitals, which was well below the proportion that existed in 1989–90 (6.0%) (see Tables 18–25 for a detailed breakdown by source of funds).

Table 11: Expenditure on health services funded from health insurance funds, by area of expenditure, current prices, 1989–90 to 1997–98 (\$ million)

Area of expenditure	1989–90	1993–94	1994–95	1995–96	1996–97	1997–98 ^(a)
<i>Institutional</i>	1,810	2,447	2,527	2,702	2,890	2,860
Public non-psychiatric hospitals	519	500	436	380	360	319
Private hospitals	1,235	1,866	2,004	2,231	2,437	2,429
Ambulance	55	82	87	91	93	112
<i>Non-institutional</i>	927	1,146	1,179	1,220	1,280	1,280
Medical	151	208	216	223	229	230
Dental	463	539	546	564	596	600
Other professionals	141	188	205	215	225	226
Community health services ^(b)	1	1	1	2	1	1
Pharmaceuticals	35	42	42	44	44	36
Aids and appliances	136	168	169	172	184	187
<i>Total benefits</i>	2,737	3,593	3,706	3,922	4,170	4,140
Administration	390	482	495	504	530	540
Total benefits plus administration	3,128	4,075	4,201	4,426	4,700	4,680
Contributions receivable	2,980	4,154	4,137	4,226	4,404	^(c) 4,713
Non-contributions income ^(d)	174	134	161	193	240	140
Total income of health insurance funds	3,153	4,288	4,299	4,419	4,645	4,853
<i>Health insurance benefits (plus administration) as a proportion of total health expenditure, all sources</i>	10.9%	11.1%	10.8%	10.6%	10.6%	9.8%

(a) These numbers differ slightly from PHIAC (1998) due to cash/accrual differences.

(b) Community health services include maternal and child health care, home nursing and domiciliary care.

(c) Private Health Insurance Incentives Scheme (PHIIS) premium subsidies of \$252m included here. PHIIS tax rebates of \$167m not included.

(d) Non-contributions income includes income generated by investments (e.g. dividends received, interest earned, etc.)

Source: Private Health Insurance Administration Council unpublished data.

Individuals' out-of-pocket expenditure on health services

Expenditure on health services by individuals is largely comprised of personal outlays on pharmaceuticals, dental treatment, medical services, other professional services and nursing home care. It also includes out-of-pocket payments for private hospital services in private hospitals, where the fees charged exceed benefits paid by third-party payers (private health insurers, workers' compensation insurers, etc.), and payments where the person is self-insuring.

During 1996–97 recurrent expenditure on health services by individuals—unadjusted for tax expenditures—totalled \$7,075 million (Table 25). This was more than half (51.8%) of all funding for recurrent expenditure on health services by non-government sources during that year. Almost one-third of this health services expenditure by individuals was for pharmaceuticals (\$2,245 million), while expenditure on dental services accounted for \$1,551 million. Medical services and other professional services were the next highest areas of expenditure by individuals, with expenditures of \$818 million and \$788 million, respectively.

Other non-government sources of health services funding

Other non-government sources of funding include payments by compulsory motor vehicle third-party and workers' compensation insurance organisations. It also includes non-patient revenue received by hospitals and similar institutions. This includes payments received for

the use of facilities, interest earned on investments and income from certain 'non-health' activities (e.g. provision of car-parking facilities). The major areas to benefit from other non-government funding are hospitals, medical services and other professional services. During 1996-97, hospitals accounted for \$1,025 million, or 54.2% of all recurrent health services funding by other non-government sources. Medical services were responsible for 23.2% (\$438 million) and other professional services for a further \$191 million, or 10.1% (Table 25).

4 Health services expenditure by type of expenditure

The major division of health services expenditure is between recurrent expenditure and capital outlays. The former is made up largely of operational costs such as salaries and wages, provisions, maintenance and other operating costs, and the latter refers to investments in infrastructure such as hospital buildings and plant and equipment.

Recurrent health services expenditure

Since 1991–92 more than half of all recurrent health services expenditure has been directed to what are commonly classified as non-institutional health services. The more important of the non-institutional health services are medical services, pharmaceuticals, dental services and other professional services.

The trend away from expenditure on institutional services towards services provided in a non-institutional setting, which had begun during the 1980s, continued for much of the period after 1989–90. For example, expenditure on hospitals as a proportion of all recurrent health services expenditure was 40.6% in 1989–90, and by 1996–97 this had fallen to 38.1% (Table 12). At the same time, expenditure on medical services and pharmaceuticals both rose as a proportion of recurrent expenditure from 18.4% to 19.7% and from 9.3% to 12.2%, respectively. In fact, all areas of institutional health care, apart from private acute care hospitals, have demonstrated similar downward trends over that period.

Real growth in recurrent health services expenditure averaged 4.0% per year between 1989–90 and 1996–97. However, growth in the latter part of this period (i.e. from 1992–93 to 1996–97) was higher, at 4.5%, than the 3.3% that was experienced in the first 3 years from 1989–90 to 1992–93 (Table 13). Much of the reason for growth being higher during the second half of the period was the higher growth in expenditure on both public non-psychiatric hospitals and pharmaceuticals.

Real expenditure on public non-psychiatric hospitals grew at an average of 3.5% per year between 1992–93 and 1996–97, compared with an average growth rate of 1.0% between 1989–90 and 1992–93. Despite this, growth in expenditure on public hospitals was below the average rate of growth for all recurrent expenditure during both these periods. The main drivers of growth in recurrent health services expenditure continue to be private hospitals, medical services and pharmaceuticals. They grew at an average annual rate of 8.4%, 4.9% and 8.4%, respectively, between 1989–90 and 1996–97, compared with the 4.0% annual average for total real recurrent expenditure.

The category 'other institutional' expenditure has been abolished. This category included expenditure on the Red Cross Blood Transfusion Service and subsidies to the Commonwealth Serum Laboratories. This expenditure has been reclassified to 'Community health services', but this categorisation is currently under review.

Table 12: Proportion of recurrent health services expenditure, current prices, by area of expenditure, 1989–90 to 1996–97 (per cent)

Area of expenditure	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97
Total hospitals	40.6	40.1	39.7	38.6	37.7	37.6	37.4	38.1
Public non-psychiatric hospitals	32.3	31.3	30.7	29.8	28.8	28.5	28.2	28.8
Recognised public hospitals	30.6	29.6	29.1	28.2	27.8	27.8	28.2	28.8
Repatriation hospitals	1.7	1.7	1.7	1.5	1.0	0.6	0.0	0.0
Private hospitals	6.3	6.9	7.2	7.3	7.5	7.8	8.1	8.4
Public psychiatric hospitals	2.0	1.9	1.8	1.6	1.4	1.3	1.1	0.8
Nursing homes	8.3	8.6	8.4	8.1	7.8	7.5	7.5	7.6
Ambulance	1.5	1.4	1.4	1.4	1.4	1.2	1.3	1.2
Other institutional (nec)	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.0
<i>Total institutional</i>	<i>50.5</i>	<i>50.3</i>	<i>49.8</i>	<i>48.3</i>	<i>47.2</i>	<i>46.6</i>	<i>46.5</i>	<i>46.9</i>
Medical services	18.4	18.7	19.0	19.6	20.0	20.2	19.9	19.7
Other professional services	3.7	3.9	3.7	3.7	3.6	3.6	3.4	3.4
Total pharmaceuticals	9.3	9.5	9.9	10.4	11.0	11.6	11.8	12.2
Benefit paid pharmaceuticals	5.4	5.0	5.2	6.0	6.6	7.0	7.6	7.9
All other pharmaceuticals	3.9	4.5	4.7	4.5	4.4	4.6	4.2	4.3
Aids and appliances	2.1	2.2	2.2	2.2	2.2	2.1	2.0	2.0
Other non-institutional services	14.4	13.8	13.8	14.4	14.4	14.3	14.7	14.2
Community and public health	5.6	4.7	4.4	4.9	5.2	4.7	5.4	5.0
Dental services	5.1	5.3	5.3	5.9	6.0	5.9	6.0	6.1
Administration	3.7	3.8	4.1	3.6	3.2	3.6	3.3	3.1
Research	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6
<i>Total non-institutional</i>	<i>49.5</i>	<i>49.7</i>	<i>50.2</i>	<i>51.7</i>	<i>52.8</i>	<i>53.4</i>	<i>53.5</i>	<i>53.1</i>
Total recurrent expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: AIHW health expenditure database.

Table 13: Growth in recurrent health services expenditure, constant prices^(a), by area of expenditure, 1989–90 to 1996–97 (per cent)

Area of expenditure	Annual growth rates							Average annual growth rates		
	1989–90 to 1990–91	1990–91 to 1991–92	1991–92 to 1992–93	1992–93 to 1993–94	1993–94 to 1994–95	1994–95 to 1995–96	1995–96 to 1996–97	1989–90 to 1992–93	1992–93 to 1996–97	1989–90 to 1996–97
	Public non-psychiatric hospitals	0.3	1.8	0.9	0.7	3.3	4.9	5.3	1.0	3.5	2.4
Recognised public hospitals	-0.1	1.9	1.3	2.3	4.7	7.2	5.3	1.1	4.9	3.2
Repatriation hospitals	6.0	0.1	-6.2	-28.9	-35.1	-93.4	2.3	-0.1	-58.0	-39.1
Private hospitals	11.8	8.3	5.8	6.9	9.7	8.9	7.9	8.6	8.3	8.4
Public psychiatric hospitals	1.6	-2.0	-10.3	-5.0	-4.2	-7.2	-13.6	-3.7	-7.6	-5.9
Nursing homes	7.3	0.9	0.2	0.0	1.1	5.6	4.7	2.7	2.8	2.8
Ambulance	-0.8	6.0	4.2	0.7	-7.6	11.7	-2.7	3.1	0.3	1.5
Other institutional (nec)	6.8	6.8	0.1	66.5	5.2	7.6	n.a.	4.5	n.a.	n.a.
<i>Total institutional</i>	2.9	2.5	1.2	1.6	3.4	5.6	4.1	2.2	3.7	3.0
Medical services	3.1	5.6	7.9	5.3	5.7	5.2	1.8	5.5	4.5	4.9
Other professional services	7.3	-1.7	3.4	1.2	4.1	1.4	1.9	2.9	2.2	2.5
Total pharmaceuticals	4.0	6.0	6.6	11.9	11.6	9.4	9.3	5.5	10.5	8.4
Benefit paid pharmaceuticals	-5.6	5.4	16.1	17.8	11.3	17.4	9.8	4.9	14.0	10.0
All other pharmaceuticals	17.4	6.7	-3.8	4.0	12.1	-2.6	8.5	6.4	5.3	5.8
Aids and appliances	5.4	4.6	-0.5	7.9	1.1	1.2	7.4	3.1	4.4	3.8
Other non-institutional services	-1.5	2.1	7.2	2.3	2.8	7.2	-0.9	0.1	0.1	0.0
Community and public health	-14.0	-2.6	16.2	10.1	-5.4	21.0	-2.8	-1.0	-0.7	-0.4
Dental services	4.6	0.4	13.3	1.5	1.6	4.2	3.0	6.0	2.6	4.0
Administration	7.3	10.6	-9.6	-6.5	18.6	-3.1	-4.9	2.4	0.6	1.3
Research	1.9	5.4	1.3	11.2	8.9	5.8	5.2	2.9	7.8	5.6
<i>Total non-institutional</i>	2.2	4.0	6.7	5.7	5.9	6.4	3.0	4.3	5.2	4.8
Total recurrent expenditure	2.6	3.3	4.0	3.7	4.7	6.0	3.5	3.3	4.5	4.0

(a) Constant price health services expenditure for 1989–90 to 1996–97 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major conversion factors used).

Source: AIHW health expenditure database.

Outlays on capital

In the context of this analysis capital expenditure includes only changes in gross fixed capital and stocks. It does not include depreciation which, in the case of non-government funding, is included as a recurrent expense and, in the case of the government sector funding, is shown separately as 'capital consumption' in Tables 18 to 25.

Total capital outlays during 1997–98 were \$2,449 million. Most of this was funded by either State and local governments or non-government sources. State and local governments provided \$1,399 million (57.1%) and the non-government sector provided \$986 million (40.3%). The Commonwealth Government's contribution was \$64 million (Table 14).

Capital expenditure increased between 1989–90 and 1997–98 at an average of 4.6% per year (Table 15). Because they involve large outlays and the types of facilities concerned are large-scale structures and equipment with long useful lives, capital outlays do not usually display consistent trends over relatively short periods. However, in recent years there has been a consistent increase in the rate of growth of capital expenditure, particularly from the State and local governments.

Table 14: Capital expenditure, current prices, by source of funds, 1989–90 to 1997–98 (\$ million)

Year	Government sector			Non-government sector	All sectors total
	Commonwealth	State and local	Total		
1989–90	138	694	832	624	1.456
1990–91	181	775	956	493	1.449
1991–92	182	694	876	515	1.391
1992–93	144	811	955	688	1.643
1993–94	99	899	998	854	1.852
1994–95	9	988	997	813	1.810
1995–96	80	903	983	839	1.822
1996–97	58	1,122	1,180	972	2.152
1997–98 ^(a)	64	1,399	1,464	986	2,449

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 15: Capital expenditure, constant prices^(a), and annual growth rates, by source of funds, 1989–90 to 1997–98

Year	Government sector						Non-government sector total		All sectors total	
	Commonwealth		State & local		Total		Amount (\$m)	Rate of growth (%)	Amount (\$m)	Rate of growth (%)
	Amount (\$m)	Rate of growth (%)	Amount (\$m)	Rate of growth (%)	Amount (\$m)	Rate of growth (%)				
1989–90	124	..	748	..	872	..	634	..	1,506	..
1990–91	164	32.2	806	7.8	970	11.3	499	-21.3	1,469	-2.4
1991–92	171	4.3	732	-9.2	902	-7.0	525	5.2	1,427	-2.8
1992–93	138	-19.1	824	12.6	962	6.6	688	31.1	1,650	15.6
1993–94	96	-30.6	914	10.9	1,009	4.9	843	22.5	1,852	12.3
1994–95	8	-91.3	1,011	10.7	1,020	1.0	802	-4.9	1,821	-1.7
1995–96	77	832.5	893	-11.7	971	-4.8	818	2.1	1,789	-1.8
1996–97	58	-25.2	1,122	25.6	1,180	21.5	972	18.8	2,152	20.3
1997–98 ^(b)	64	10.9	1,380	23.0	1,444	22.4	980	0.7	2,424	12.6
Average annual growth rates										
1989–90 to 1992–93		3.7		3.3		3.4		2.8		3.1
1992–93 to 1997–98		-14.2		10.9		8.5		7.3		8.0
1989–90 to 1997–98		-9.1		5.2		3.9		5.5		4.6

(a) Health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to 1996–97 using specific health deflators (see Table 17 for major deflators used).

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

The Commonwealth Government's role in the funding of capital outlays is quite small, compared with that of State and local government authorities and the non-government sector. Most of its capital outlays are in the form of grants to other levels of government or to non-government investors. During the early 1990s, the Commonwealth Government's capital outlays were distorted by the negative outlays that resulted from the disposal of the Repatriation General Hospitals.

Capital outlays by State and local government authorities, on the other hand, tend to be for new and/or replacement facilities and equipment that are used in the provision of health services for which those levels of government have primary responsibility (e.g. public hospitals, community health facilities). There has been particularly high capital expenditure

in Queensland in recent years, as some of that State's very old or run-down capital stock has been replaced.

Typically, capital expenditure by the non-government sector accounts for between one-third and half of all capital outlays in any year. Its growth averaged 5.5% between 1989-90 and 1997-98. Capital expenditure for private hospitals is a large component of the non-government sector's capital expenditure. For example, in 1996-97 capital expenditure on private hospitals recorded by ABS (1998d) was \$328 million out of a total of \$972 million.

5 Health services expenditure per person

By examining health expenditure per person, the influence of changes in the size of the population is removed from the analysis. During 1997–98 per person expenditure on health services averaged \$2,536 (Table 16). This was an increase of \$133 per person over the 1996–97 level of \$2,403.

Growth in per person real health expenditure between 1989–90 and 1997–98 averaged 2.9%, compared with 4.1% for health expenditure as a whole.

Table 16: Health services expenditure per person, current and constant prices^(a), and annual growth rates, 1989–90 to 1997–98

Year	Amount (\$)		Growth rate (%)	
	Current	Constant	Current	Constant
1989–90	1,700	1,993	..	..
1990–91	1,820	2,010	7.1	0.9
1991–92	1,902	2,042	4.5	1.6
1992–93	1,990	2,108	4.6	3.3
1993–94	2,071	2,172	4.1	3.0
1994–95	2,170	2,242	4.8	3.2
1995–96	2,296	2,331	5.8	4.0
1996–97	2,403	2,403	4.7	3.1
1997–98 ^(b)	2,536	2,497	5.5	3.9
Average annual growth rates				
1989–90 to 1992–93			5.4	1.9
1992–93 to 1997–98			4.8	3.3
1989–90 to 1997–98			5.1	2.9

(a) Health services expenditure for 1989–90 to 1997–98 is expressed in chain volume measures, referenced to the year 1996–97 (see Table 17 for major deflators used).

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

6 Health prices

Often a strong influence on health services expenditure growth is the relationship between movements in health prices and the general level of inflation in the economy as a whole. The general level of inflation is usually measured by reference to either the consumer price index (CPI) or the implicit price deflator (IPD) for GDP and health inflation is indicated by reference to the 'Total health price index' (Table 17). In Australia, health inflation has tended to move in line with the general level of inflation. Between 1989–90 and 1997–98 the average rate of general inflation, as measured by changes in the IPD for GDP, was 1.8% per year. The overall CPI increased by 2.3% per year. Health inflation during that period averaged 2.2% per year.

Table 17: Total health price index and industry-wide indexes (reference year 1996–97 = 100), 1989–90 to 1997–98^(a)

	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98
Total health price index	85.3	90.6	93.2	94.4	95.3	96.7	98.5	100.0	101.6
Government final consumption expenditure									
Hospital and nursing home care	85.8	90.7	93.1	94.0	94.8	96.4	98.3	100.0	101.8
Total	83.8	88.2	92.8	94.9	95.5	96.1	98.1	100.0	101.5
Households' final consumption expenditure									
Doctors and other health professionals	84.5	91.0	93.0	93.4	95.2	96.5	97.8	100.0	101.7
Dental services	71.2	77.0	81.6	84.4	87.9	91.8	96.0	100.0	104.0
PFCE on pharmaceuticals ^(b)	86.4	92.8	97.6	101.3	100.2	100.4	100.7	100.0	100.2
Total health HFCE	76.5	82.7	86.0	87.2	89.4	93.2	96.8	100.0	103.4
Implicit price deflators									
Public gross fixed capital Commonwealth	111.6	110.7	106.7	104.4	103.4	102.8	103.1	100.0	101.4
Public gross fixed capital State and local	92.8	96.1	98.1	98.4	98.4	97.9	101.1	100.0	101.4
Private capital	98.4	98.8	98.1	100.0	101.3	101.4	102.5	100.0	100.6
Gross domestic product	87.8	90.9	92.9	94.1	95.2	96.1	98.6	100.0	101.4
Consumer price index (CPI)									
Total CPI	83.1	87.5	89.2	90.1	91.8	94.7	98.7	100.0	100.0
<i>CPI health components</i>									
Health services sub group	60.0	67.1	77.3	79.4	83.4	88.7	93.7	100.0	103.9
Pharmaceuticals	77.7	82.9	87.0	87.6	89.5	93.4	96.0	100.0	101.9
Hospital and medical	56.4	64.0	76.1	77.8	82.1	87.7	93.1	100.0	103.9
Health insurance ^(c)	52.1	59.0	70.7	78.1	82.8	87.5	92.3	100.0	92.9

(a) Index numbers for previous years (using base year 1989–90=100) are shown in *Health Expenditure Bulletin No.12* — Tables 12 and 14.

(b) The 'pharmaceuticals' index is an IPD, calculated by AIHW, reflecting changes in the prices of private final consumption expenditure on pharmaceuticals.

(c) The health insurance index is a sub-component of the hospital and medical component of the health services sub group of the CPI. It tracks the prices of a health insurance package, not the prices of health services.

Sources: See 'Technical Notes'.

Price of health insurance and health prices

The way that health insurance premiums are treated has quite a significant effect on the comparability of 'health' price movements. Health insurance premiums are not, themselves, regarded as expenditure on health services. They purchase a health insurance package, not health services per se. In the health insurance component of the CPI, the ABS is measuring the increase in the price of health insurance packages, not the increase in the price of health services.

The indexes for the health services subgroup of the CPI and the components of that subgroup illustrate changes in prices faced by households when purchasing health services—including private health insurance cover. They do not reflect movements in overall prices, as they exclude government subsidies, benefit payments and services provided directly by governments. Movements in the overall health prices are reflected in the 'Total health price index'.

The average annual rate of increase in overall health prices (2.2%) was below the average for the total CPI (2.3%) between 1989–90 and 1997–98. However, the health services subgroup of the CPI, which measures the increase in prices that households actually faced when purchasing private health services and insurance cover, grew at 7.1% per year, which was three times the rate of the increase in the CPI as a whole. This was largely due to increases in the price of private health insurance, which increased at an average of 9.8% per year over the period 1989–90 to 1996–97. The price of private health insurance fell in 1997–98 by 7.1% due to the Commonwealth Government's Private Health Insurance Incentives Scheme.

Prices of dental services

Prices of most other components of health expenditure moved in line with general inflation, with the exception of dental services. The price of dental services increased by 46.1% over the period 1989–90 to 1997–98 in comparison to a growth in health prices of 19.1%. This was partly because of the costs of conforming to stricter standards in infection control, and an increase in the complexity of diagnostic procedures. Other factors that may play a role include workforce supply, and increasing capital and other input costs of dentistry. If the price of dental services had increased at the same rate as general health prices since 1989–90, expenditure on dental services in 1996–97 would have been \$2,129 million rather than \$2,551 million—a reduction of \$422 million.

7 Technical notes

Experimental health expenditure tables, by State and Territory

In this edition the national health expenditure matrix, which has formed the basis of health expenditure estimates for all issues of the *Health Expenditure Bulletin* since 1986, has been published on a 'State and Territory' basis. These State and Territory tables are experimental at this stage and, while they give some indication of the relative levels of effort of health service providers in different States and Territories, they should not be used to compare the levels of activities in different States and Territories. The publication of these experimental estimates is the first step in producing a set of numbers which, in the future, will enable States and Territories to be compared. These revised numbers will then allow individual States and Territories to obtain an appreciation of the impact of policy decisions taken at the State and Territory level on the overall levels of expenditure on health services within those States and Territories. However, until these experimental estimates are refined, extreme caution should be exercised in relation to their use.

The full details of the allocation rules used in estimating health expenditure by State and Territory and by source of funds are available from Tony Hynes (telephone: (02) 6244 1160; E-mail: tony.hynes@aihw.gov.au).

Comments on any of these numbers, and ways to improve the methodology are welcome. If forwarded by 31 August 1999, they will be taken into account in the next revision of the methods and numbers.

A revised set of State and Territory tables for 1995–96 and 1996–97 along with State and Territory estimates for 1997–98 by area of expenditure and source of funds will be published on the Internet by 30 September 1999, on the Institute web site <http://www.aihw.gov.au>.

Methods used in producing State and Territory experimental estimates

Many of the cell allocations in the various State and Territory tables have been calculated using proxies for the allocation of expenditure that have not, at this stage, been fully tested for accuracy as indicators of expenditure allocation. Still other expenditures are allocated according to the locations of the organisations incurring the expenditure, not according to the State where the health services were purchased. For example, expenditure on public hospitals in a particular State by workers' compensation insurance companies is assumed to be equal to expenditure on public hospitals incurred by companies registered to operate within that State. Similarly, in the case of expenditure by private health insurance organisations, their expenditures in respect of a State are assumed to be equal to expenditure by organisations registered to operate in that State. In fact, the funds have a considerable number of members who live interstate or who use services in other States.

These are estimates of total expenditure within each State and Territory. The estimates for a particular State or Territory are not estimates of expenditure on health services provided to residents of that State or Territory. Thus, the expenditure for the Australian Capital

Territory (Tables A13 and A14) partly reflect the large number of residents of New South Wales treated within the Australian Capital Territory.

Expenditure by the Commonwealth Government

Many of the data relating to the Commonwealth Government's health expenditure programs are not readily available on a State and Territory basis. Other indicators have had to be used to derive estimates on a State and Territory basis for those areas of expenditure.

Grants to service providers that are aimed at enhancing or modifying medical practice have been allocated according to the proportion of vocationally registered general practitioners in each State and/or Territory. In the case of Commonwealth Government expenditures on community and public health services, where those expenditures are not identified as part of SPPs, they are allocated according to the allocation of SPPs. In the case of community health services the proxy for allocation is the ratio of total identified outlays by the Commonwealth in respect of each State and Territory. In the case of public health services, the allocation factor used is the ratio of public health grants to each State and Territory.

Expenditure by State and local governments

ABS estimates of total recurrent health expenditure by State and local governments in each State and Territory are used to determine the overall estimate of State and local government recurrent expenditure on health. There are, however, some minor adjustments made to take account of research expenditure that is counted by the ABS as having primarily education purposes, but which are, essentially, health research activities.

However, although the total State government-funded health expenditure number appears fairly reliable, the allocation between different areas of health expenditure is not always as accurate.

Of particular concern is the distribution of expenditure between public hospital services, community and public health services, administration and research. The Institute receives estimates of expenditure from the different State and Territory Governments in respect of public hospitals, nursing homes and dental services, which are fairly consistent. ABS public finance database estimates are used for administration, ambulance and pharmaceuticals, and the ABS Research and Experimental Development Survey provides information about research. Estimates of expenditure by the States and Territories on community and public health services are then derived by subtraction. Thus, this is a residual category, and therefore has been somewhat volatile.

Note also that the estimates of expenditure on public hospitals in this bulletin reflect the level of expenditure on services provided within hospitals, including those community and public health services that are operated by public hospitals. The estimate of community and public health services includes only expenditure on community and public health services that is not included as part of the gross operating expenditures of public hospitals. This complicates State comparisons, as the proportion of community and public health services carried out by hospitals varies from State to State.

Expenditure by the non-government sector

Non-government sector expenditure is split into three columns in the various State matrices. These are health insurance funds, individuals and other non-government sources.

Expenditure by health insurance funds on health services within a State is assumed to be equal to the level of expenditure by health insurance funds that are registered to operate in

that State. In the case of the Australian Capital Territory and New South Wales, it is assumed that their combined total expenditure is equal to the level of expenditure by health insurance funds registered in New South Wales. That is then split between New South Wales and the Australian Capital Territory according to the relative numbers of hospital beds available.

For most areas of expenditure, estimates of expenditure by individuals are derived from the ABS estimates of Final Consumption Expenditure by Households (HFCE) or Private Final Consumption Expenditure (PFCE). Where HFCE is used, estimates derived elsewhere in respect of expenditure by health insurance funds, workers' compensation insurers and compulsory motor vehicle third-party insurers are deducted to arrive at an estimate of expenditure by individuals. Where PFCE is used, in addition to these estimates, estimates of personal benefit payments and transfers from governments are also deducted to arrive at an estimate of expenditure by individuals.

Definitions, sources and notes

General

The Australian Institute of Health and Welfare collects information for estimates of health expenditure from a wide range of sources. The Australian Bureau of Statistics, the Commonwealth Department of Health and Aged Care and State and Territory health authorities provided most of the basic data used in this bulletin. Other major data sources include DVA, the Private Health Insurance Administration Council, Comcare and the major workers' compensation and compulsory motor vehicle third-party insurers in each State and Territory.

Box 1: Differences between *Health Expenditure Bulletin No. 15* and *Australian Hospital Statistics 1996–97*

The term 'recognised public hospitals' is different in scope from the 'Public acute care hospital' category in the Institute publication Australian Hospital Statistics 1996–97—particularly for New South Wales. Australian Hospital Statistics 1996–97 does not include expenditure from the primary and community based services and population health programs, and from trust funds, but the Health Expenditure Bulletin does. All NSW acute hospitals and the community non-acute (D2) hospitals are included in the Health Expenditure Bulletin.

Note also that Australian Hospital Statistics 1996–97 combines 'recognised public hospitals', 'repatriation hospitals' and 'public psychiatric hospitals' in the one category in its expenditure table, whereas Health Expenditure Bulletin No. 15 separates them in its tables.

The term 'recognised public hospital' is used in this bulletin to refer to those hospitals operated by, or on behalf of, State and Territory Governments that have in the past been recognised for the purposes of the Commonwealth and State Medicare agreements.

The 'Medical services' category in Tables 18–25 covers medical services provided on a fee-for-service basis, including medical services provided to private patients in hospitals. It does not include expenditure on medical salaries or visiting medical officers at public hospitals.

The 'Commonwealth' column in Tables 18–25 includes expenditure by DVA on behalf of eligible veterans and their dependants. It also includes, until 1988–89, expenditure by ACT health services.

'Benefit paid pharmaceuticals' are pharmaceuticals in the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) for which the Commonwealth paid a benefit. Pharmaceuticals listed in the PBS for which a prescription is required, but where all the costs are met by the patient ('under \$20' pharmaceuticals), are included in 'all other pharmaceuticals'. Also included in 'all other pharmaceuticals' are over-the-counter medicines—such as aspirin, cough and cold medicines, vitamins and minerals, and some herbal and other remedies.

Health expenditure figures shown in Tables 18–25 do not include any parts of expenditure that are primarily of a welfare services nature, even where that expenditure has a health component. Also excluded are most costs associated with the training of health personnel in universities. However, in some cases, such as hospital-based training of health professionals, where the cost of training cannot be separated from the operational costs, training costs would be included as part of the operational costs.

Constant price values have been derived from current price estimates using 'chain volume measures' to indicate changes in the volumes of particular health services. Those chain volume measures are expressed in dollar values rather than as index numbers, using the values of the reference year (in this case, 1996–97). The use of chain volume measures is a departure from the previous method of estimating constant price values using fixed weighted volume indexes (in most of the health expenditure estimates produced in previous Health Expenditure Bulletins these were expressed in terms of average 1989–90 prices). A full explanation of chain volume indexes is contained in the ABS publication Chain Volume Measures in the Australian National Accounts (ABS 1999).

In this publication, IPDs (see below) for particular components of health expenditure have been used to derive 'constant price' estimates of expenditure on individual areas of health expenditure.

For the purposes of this analysis, the particular series of IPDs are based on chain volume indexes with a reference year of 1996–97. Therefore, the values derived from these calculations are shown in 1996–97 prices.

Box 2: Sources and definitions—further information

Further details of the sources and definitions used in this bulletin are contained in the AIHW publication Australian Health Expenditure 1970–71 to 1984–85 (available from Tony Hynes, Health and Welfare Expenditure Unit, Australian Institute of Health and Welfare (02) 6244 1160).

Price indexes

An IPD is an index obtained by dividing a current price value by its corresponding chain volume estimate expressed in terms of the reference year prices. Thus, IPDs are derived measures and are not normally the direct measures of price change by which current price estimates are converted to volume measures. However, in the absence of the full range of volume estimates that relate to particular areas of expenditure, it is necessary to use IPDs to derive approximates of constant price expenditure on particular areas. In this edition:

- the IPD for general government public gross fixed capital expenditure is used to deflate government capital health expenditure and government consumption of health-related capital stock;
- the IPD for private gross fixed capital expenditure on non-dwelling construction is used to deflate private capital health expenditure;

- the IPD for government final consumption expenditure on hospital and nursing home care is used to deflate most services and facilities that are provided by or purchased through the public sector;
- the IPD for private final consumption expenditure on services by doctors and other health professionals is used to deflate expenditure on those areas;
- the IPD for final consumption expenditure by households on dentist services is used to deflate dental expenditure; and
- the IPD for private final consumption expenditure on pharmaceuticals is used to deflate pharmaceutical expenditure.

The IPD for GDP is the broadest measure of price change available in the national accounts. It provides an indication of the overall changes in the prices of goods and services produced in Australia, whether for use in the domestic economy or for export.

The 'hospital and nursing home care' index from the government final consumption expenditure deflators is a measure of changes in wage costs, visiting medical officer payments and other costs in the hospital area. Other costs include drug costs, medical and surgery costs, food costs, domestic service costs and costs of repairs and maintenance, patient transport, fuel, light and power and other non-salary costs.

The private final consumption expenditure deflators measure changes in the price of services of private doctors, dentists, chemists and other private health professionals.

The total health expenditure in constant prices is obtained by adding up individual expenditures in constant prices. The total health expenditure price index is an IPD, which is calculated as the ratio of total health expenditure in current prices to total health expenditure in constant prices for its corresponding year.

Box 3: Sources of deflators used in this publication

<i>Deflator</i>	<i>Source</i>
<i>Implicit Price Deflator for general government public gross fixed capital</i>	<i>ABS, Australian National Accounts: National Income, Expenditure And Product (Cat. No. 5206.0)</i>
<i>Implicit Price Deflator for GDP</i>	<i>ABS, Australian National Accounts: National Income, Expenditure And Product (Cat. No. 5206.0)</i>
<i>Government final consumption for hospital and nursing home care</i>	<i>ABS unpublished data</i>
<i>Private final consumption expenditure for doctors' services.</i>	<i>AIHW health expenditure database</i>
<i>Private final consumption expenditure on pharmaceuticals</i>	<i>AIHW health expenditure database</i>
<i>Household final consumption expenditure on dental services</i>	<i>ABS unpublished data</i>
<i>Implicit Price Deflator for private gross fixed capital expenditure on non-dwelling construction</i>	<i>ABS, Australian National Accounts: National Income, Expenditure And Product (Cat. No. 5206.0)</i>

Revisions of definitions and estimates

At the time of publication of *Health Expenditure Bulletin No. 14*, it was not possible to allocate State and local government expenditures to the separate categories 'Community and public health', 'Dental services' and 'Administration'. Therefore, it was decided to present the amalgamated data for that source of funds (State and local government). Where it was possible to present data for the various subcategories (i.e. years up to and including 1993–94 for State and local government and all years for other sources of funds), this was done.

New data provided by State and Territory Governments now make it possible to calculate estimates of expenditure in respect of dental services and administration, although it is still not possible to confidently derive separate estimates for 'community health' and 'public health' services.

Revisions have been made to estimates of recurrent health expenditure since the publication of *Health Expenditure Bulletin No. 14*. The major revisions relate to the estimates for 'recognised public hospitals', 'public psychiatric hospitals', 'dental services', 'research expenditure' and Commonwealth Government capital outlays.

Recognised public hospitals

1994–95 estimates

Total expenditure on recognised public hospitals for 1994–95 has been revised downwards by \$12 million since the publication of *Health Expenditure Bulletin No. 14*. Most of this revision resulted from changes in the way some expenditure incurred within New South Wales public hospitals had previously been treated. That had resulted in the gross operating costs being overstated by \$12 million.

1995–96 estimates

The estimated expenditure by State and local governments on recognised public hospitals for 1995–96 has been reduced by \$200 million from \$5,043 million to \$4,843 million. Much of the reduction has been taken up by increased expenditure on community and public health. This largely reflects the identification of some expenditure that had previously been identified as 'recognised public hospital' expenditure as more appropriately fitting within the community health expenditure category.

Public psychiatric hospitals

1995–96 estimates

The estimate for State and local governments' expenditure on public psychiatric hospitals was increased by \$48 million. The main part of this was an increase of \$41 million in the estimate of gross operating costs. This came about largely through a revision in the method of estimating expenditure on public psychiatric hospitals in New South Wales. Another factor was an increase of \$5 million due to a downward revision in the estimate of operating revenue for New South Wales public psychiatric hospitals.

Dental services

1994–95 estimates

The ABS estimate for private final consumption expenditure on dental services was revised upward by \$281 million from the number used in *Health Expenditure Bulletin No.14*.

1995–96 estimates

The ABS revision of PFCE on dental services also affected the 1995–96 estimate. It was increased by \$295 million.

Research

The method for estimating research expenditure has been changed in this publication from a 'location of research activity' basis to a 'source of funds' basis. This change in method has been introduced for all years from 1992–93. Research expenditure estimates now conform with all other cells in the health expenditure matrices. The result is that there are some changes in the allocation between sources and some reduction in the overall level of expenditure on health research for all years since 1992–93.

Capital expenditure

1994–95 estimates

The 1994–95 estimate for Commonwealth expenditure on capital was revised upwards by \$26 million because of changes in the ABS capital outlay estimates.

1995–96 estimate

The 1995–96 ABS estimate for Commonwealth outlays on capital was revised upwards by \$34 million.

Box 4: Changes in Gross Domestic Product

The ABS upgraded GDP measures in its bulletin 5253.0 issued on 4 November 1998. This upgrade was to implement the recommendations of the revised international standard in the national accounts area—the System of National Accounts (SNA) 1993.

These changes increased the estimate of GDP by an average of 3%. In 1997–98 the changes lifted GDP on an income basis by \$16.9 billion; \$15.9 billion of this change was due to the SNA 93 changes. The most significant included the capitalisation of computer software (+\$5.7 billion); financial intermediation services indirectly measured (+\$5.4 billion); capitalisation of mineral explorations expenditure (+\$2.1 billion); capitalisation of livestock (+\$1.5 billion) and the reclassification of some taxes to service income (–\$1.7 billion).

For further details see ABS (1998a).

Abbreviations and symbols used in tables

n.a.	not available
nec	not elsewhere classified
—	nil or rounded down to zero
..	not applicable

Other notes

Figures in the tables in this bulletin may not add exactly due to rounding.
Average annual growth rates are calculated as an exponential mean.

Table 18: Total health services expenditure, current prices, by area of expenditure and source of funds, 1989–90^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector			Total	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
Total hospitals	3 966	4 364	8 330	1 755	320	478	2 553	10 882
Recognised public hospitals	3 438	3 884	7 323	512	—	366	878	8 201
Private hospitals	69	—	69	1 235	290	107	1 633	1 701
Repatriation hospitals	445	—	445	7	—	5	12	457
Public psychiatric hospitals	14	480	493	—	29	1	30	524
Nursing homes	1 530	241	1 771	—	456	3	459	2 230
Ambulance	35	203	238	55	81	19	155	393
Other institutional (nec)	57	—	57	—	—	—	—	57
<i>Total institutional</i>	<i>5 587</i>	<i>4 808</i>	<i>10 395</i>	<i>1 810</i>	<i>857</i>	<i>500</i>	<i>3 167</i>	<i>13 562</i>
Medical services	3 934	—	3 934	151	585	275	1 011	4 945
Other professional services	104	—	104	141	653	103	896	1 000
Total pharmaceuticals	1 264	2	1 266	35	1 172	17	1 224	2 490
Benefit paid pharmaceuticals	1 264	—	1 264	—	185	—	185	1 448
All other pharmaceuticals	—	2	2	35	987	17	1 039	1 041
Aids and appliances	51	—	51	136	360	13	509	560
Other non-institutional services	691	1 480	2 170	854	808	46	1 707	3 877
Community and public health ^(c)	284	1 182	1 466	1	—	43	44	1 510
Dental services	29	72	101	463	808	3	1 273	1 374
Administration	377	226	603	390	—	—	390	994
Research ^(d)	289	66	355	—	45	—	45	400
<i>Total non-institutional</i>	<i>6 332</i>	<i>1 547</i>	<i>7 880</i>	<i>1 318</i>	<i>3 622</i>	<i>453</i>	<i>5 392</i>	<i>13 272</i>
Total recurrent expenditure	11 920	6 355	18 275	3 128	4 479	952	8 559	26 834
Capital expenditure	138	694	832	n.a.	n.a.	n.a.	^(e) 624	1 456
Capital consumption	46	464	510	..	..	..	^(f) ..	510
Total health expenditure	12 104	7 513	19 617	n.a.	n.a.	n.a.	9 183	28 800

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Health services research expenditure is allocated according to the level of government or the sector that actually undertakes the research activity, not according to the source of funds.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 19: Total health services expenditure, current prices, by area of expenditure and source of funds, 1990–91^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector			Total	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
Total hospitals	4.307	4.590	8.897	2.012	360	475	2.848	11.745
Recoanised public hospitals	3.711	4.066	7.777	551	—	335	886	8.663
Private hospitals	86	—	86	1.451	339	132	1.922	2.008
Repatriation hospitals	494	—	494	10	—	8	18	512
Public psychiatric hospitals	17	524	540	—	21	1	22	562
Nursing homes	1.657	305	1.962	—	563	3	566	2.529
Ambulance	38	204	242	63	89	19	171	413
Other institutional (nec)	64	—	64	—	—	—	—	64
<i>Total institutional</i>	<i>6.066</i>	<i>5.100</i>	<i>11.166</i>	<i>2.075</i>	<i>1.013</i>	<i>497</i>	<i>3.585</i>	<i>14.751</i>
Medical services	4.384	—	4.384	173	636	297	1.107	5.491
Other professional services	138	—	138	156	703	159	1.018	1.157
Total pharmaceuticals	1.245	2	1.247	39	1.483	13	1.535	2.782
Benefit paid pharmaceuticals	1.245	—	1.245	—	224	—	224	1.468
All other pharmaceuticals	—	2	2	39	1.259	13	1.311	1.313
Aids and appliances	60	—	60	153	407	13	573	633
Other non-institutional services	714	1.510	2.224	916	887	30	1.832	4.056
Community and public health ^(c)	307	1.051	1.358	1	—	14	15	1.373
Dental services	33	117	149	503	887	16	1.406	1.556
Administration	374	342	716	411	—	—	411	1.128
Research ^(d)	279	98	378	—	53	—	53	431
<i>Total non-institutional</i>	<i>6.821</i>	<i>1.610</i>	<i>8.431</i>	<i>1.437</i>	<i>4.169</i>	<i>513</i>	<i>6.119</i>	<i>14.550</i>
Total recurrent expenditure	12,887	6,709	19,597	3,512	5,182	1,010	9,704	29,300
Capital expenditure	181	775	956	n.a.	n.a.	n.a.	^(e) 493	1,449
Capital consumption	47	474	521	..	..	..	^(f) ..	521
Total health expenditure	13,115	7,958	21,074	n.a.	n.a.	n.a.	10,197	31,270

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Health services research expenditure is allocated according to the level of government or the sector that actually undertakes the research activity, not according to the source of funds.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 20: Total health services expenditure, current prices, by area of expenditure and source of funds, 1991–92^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	4.487	4.869	9.356	2.200	366	458	3.025	12.381
Recoanised public hospitals	3.866	4.339	8.205	554	—	299	853	9.058
Private hospitals	107	—	107	1.635	346	143	2.124	2.232
Repatriation hospitals	499	—	499	11	—	16	27	526
Public pschiatric hospitals	15	530	545	—	20	1	21	565
Nursing homes	1.707	305	2.013	—	601	3	605	2.617
Ambulance	43	217	260	71	100	18	189	449
Other institutional (nec)	70	—	70	—	—	—	—	70
<i>Total institutional</i>	<i>6.308</i>	<i>5.391</i>	<i>11.699</i>	<i>2.271</i>	<i>1.067</i>	<i>480</i>	<i>3.818</i>	<i>15.517</i>
Medical services	4.781	—	4.781	190	693	263	1.146	5.928
Other professional services	151	—	151	168	711	132	1.011	1.162
Total pharmaceuticals	1.319	—	1.319	37	1.731	14	1.782	3.101
Benefit paid pharmaceuticals	1.319	—	1.319	—	308	—	308	1.627
All other pharmaceuticals	—	—	—	37	1.423	14	1.474	1.474
Aids and appliances	90	—	90	162	427	18	607	697
Other non-institutional services	899	1.475	2.374	968	957	5	1.931	4.305
Community and public health ^(c)	382	987	1.370	1	—	2	3	1.372
Dental services	37	127	164	528	957	4	1.488	1.652
Administration	480	360	841	439	—	—	439	1.280
Research ^(d)	310	101	411	—	55	—	55	466
<i>Total non-institutional</i>	<i>7.551</i>	<i>1.576</i>	<i>9.127</i>	<i>1.525</i>	<i>4.574</i>	<i>432</i>	<i>6.531</i>	<i>15.658</i>
Total recurrent expenditure	13,859	6,967	20,826	3,796	5,642	912	10,350	31,175
Capital expenditure	182	718	900	n.a.	n.a.	n.a.	^(e) 515	1,415
Capital consumption	44	453	497	..	..	..	^(f) ..	497
Total health expenditure	14,085	8,138	22,223	n.a.	n.a.	n.a.	10,861	33,087

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Health services research expenditure is allocated according to the level of government or the sector that actually undertakes the research activity, not according to the source of funds.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 21: Total health services expenditure, current prices, by area of expenditure and source of funds, 1992–93^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	4.750	4.772	9.523	2.320	363	465	3.148	12.670
Recognised public hospitals	4.140	4.291	8.432	543	—	301	844	9.276
Private hospitals	122	—	122	1.764	347	150	2.262	2.384
Repatriation hospitals	474	—	474	13	—	12	25	499
Public psychiatric hospitals	14	481	495	—	16	1	17	512
Nursing homes	1.788	288	2.076	—	569	4	573	2.648
Ambulance	38	233	272	75	107	19	201	473
Other institutional (nec)	71	—	71	—	—	—	—	71
<i>Total institutional</i>	<i>6.648</i>	<i>5.293</i>	<i>11.941</i>	<i>2.395</i>	<i>1.038</i>	<i>488</i>	<i>3.921</i>	<i>15.862</i>
Medical services	5.241	—	5.241	202	692	287	1.181	6.422
Other professional services	160	—	160	178	727	141	1.047	1.207
Total pharmaceuticals	1.601	—	1.601	39	1.774	18	1.831	3.432
Benefit paid pharmaceuticals	1.601	—	1.601	—	360	—	360	1.960
All other pharmaceuticals	—	—	—	39	1.415	18	1.471	1.471
Aids and appliances	97	—	97	166	430	27	623	720
Other non-institutional services	905	1.595	2.499	997	1.220	7	2.224	4.723
Community and public health ^(c)	395	1.213	1.608	1	—	2	3	1.611
Dental services	38	146	184	535	1.220	6	1.760	1.944
Administration	472	236	708	461	—	—	461	1.168
Research	363	37	401	—	76	—	76	477
<i>Total non-institutional</i>	<i>8.367</i>	<i>1.632</i>	<i>9.999</i>	<i>1.583</i>	<i>4.918</i>	<i>479</i>	<i>6.981</i>	<i>16.980</i>
Total recurrent expenditure	15,014	6,925	21,940	3,979	5,957	967	10,902	32,842
Capital expenditure	144	811	955	n.a.	n.a.	n.a.	^(d) 688	1,643
Capital consumption	42	466	508	..	..	..	^(e) ..	508
Total health expenditure	15,200	8,202	23,403	n.a.	n.a.	n.a.	11,590	34,993

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 22: Total health services expenditure, current prices, by area of expenditure and source of funds, 1993–94^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector			Total	Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)		
Total hospitals	5,250	4,331	9,580	2,365	391	640	3,397	12,977
Recognised public hospitals	4,719	3,871	8,590	494	—	477	971	9,561
Private hospitals	168	—	168	1,866	373	162	2,400	2,568
Repatriation hospitals	352	—	352	5	—	—	5	357
Public psychiatric hospitals	11	460	471	—	18	2	20	491
Nursing homes	1,773	267	2,041	—	627	—	627	2,667
Ambulance	37	223	260	82	118	19	219	479
Other institutional (nec)	119	—	119	—	—	—	—	119
<i>Total institutional</i>	<i>7,179</i>	<i>4,821</i>	<i>12,000</i>	<i>2,447</i>	<i>1,136</i>	<i>660</i>	<i>4,243</i>	<i>16,243</i>
Medical services	5,700	—	5,700	208	683	296	1,187	6,886
Other professional services	165	—	165	188	753	138	1,079	1,244
Total pharmaceuticals	1,888	—	1,888	42	1,847	20	1,909	3,797
Benefit paid pharmaceuticals	1,888	—	1,888	—	396	—	396	2,284
All other pharmaceuticals	—	—	—	42	1,452	20	1,513	1,513
Aids and appliances	137	—	137	168	433	29	630	768
Other non-institutional services	990	1,607	2,598	1,022	1,312	9	2,342	4,940
Community and public health ^(c)	489	1,295	1,784	1	—	2	3	1,787
Dental services	58	137	194	539	1,312	6	1,857	2,051
Administration	444	176	620	482	—	—	482	1,102
Research	388	59	447	—	88	—	88	534
<i>Total non-institutional</i>	<i>9,268</i>	<i>1,666</i>	<i>10,935</i>	<i>1,628</i>	<i>5,116</i>	<i>491</i>	<i>7,235</i>	<i>18,170</i>
Total recurrent expenditure	16,447	6,488	22,935	4,075	6,252	1,150	11,478	34,412
Capital expenditure	99	899	998	n.a.	n.a.	n.a.	^(d) 854	1,852
Capital consumption	42	481	523	..	..	..	^(e) ..	523
Total health expenditure	16,588	7,868	24,456	n.a.	n.a.	n.a.	12,332	36,787

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 23: Total health services expenditure, current prices, by area of expenditure and source of funds, 1994–95^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,426	4,716	10,142	2,440	444	740	3,624	13,766
Recognised public hospitals	4,947	4,263	9,210	433	—	543	976	10,187
Private hospitals	240	—	240	2,004	437	185	2,625	2,865
Repatriation hospitals	233	—	233	3	—	—	3	236
Public psychiatric hospitals	6	452	459	—	8	12	20	478
Nursing homes	1,860	243	2,102	—	640	—	640	2,743
Ambulance	43	214	257	87	74	33	194	451
Other institutional (nec)	128	—	128	—	—	—	—	128
<i>Total institutional</i>	<i>7,456</i>	<i>5,172</i>	<i>12,628</i>	<i>2,527</i>	<i>1,158</i>	<i>773</i>	<i>4,458</i>	<i>17,086</i>
Medical services	6,086	—	6,086	216	712	369	1,297	7,383
Other professional services	171	—	171	205	752	185	1,142	1,313
Total pharmaceuticals	2,086	1	2,087	42	2,091	26	2,159	4,246
Benefit paid pharmaceuticals	2,086	—	2,086	—	461	—	461	2,547
All other pharmaceuticals	—	1	1	42	1,630	26	1,698	1,699
Aids and appliances	147	—	147	169	438	25	632	778
Other non-institutional services	1,083	1,697	2,780	1,043	1,394	11	2,448	5,228
Community and public health ^(c)	493	1,223	1,716	1	—	3	4	1,720
Dental services	105	126	230	546	1,394	8	1,949	2,179
Administration	486	348	834	495	—	—	495	1,329
Research	399	93	492	—	100	—	100	592
<i>Total non-institutional</i>	<i>9,971</i>	<i>1,792</i>	<i>11,763</i>	<i>1,674</i>	<i>5,486</i>	<i>617</i>	<i>7,777</i>	<i>19,541</i>
Total recurrent expenditure	17,428	6,964	24,392	4,201	6,644	1,390	12,235	36,627
Capital expenditure	9	990	999	n.a.	n.a.	n.a.	^(d) 813	1,812
Capital consumption	23	506	529	..	..	..	^(e) ..	529
Total health expenditure	17,459	8,460	25,919	n.a.	n.a.	n.a.	13,048	38,967

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 24: Total health services expenditure, current prices, by area of expenditure and source of funds, 1995–96^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,580	5,274	10,853	2,611	306	1,012	3,929	14,782
Recognised public hospitals	5,262	4,843	10,105	380	—	645	1,025	11,131
Private hospitals	295	—	295	2,231	293	364	2,888	3,183
Repatriation hospitals	16	—	16	—	—	—	—	16
Public psychiatric hospitals	7	430	437	—	13	3	15	452
Nursing homes	2,055	223	2,277	—	677	—	677	2,954
Ambulance	41	232	274	91	116	33	239	513
Other institutional (nec)	140	—	140	—	—	—	—	140
<i>Total institutional</i>	<i>7,816</i>	<i>5,728</i>	<i>13,544</i>	<i>2,702</i>	<i>1,098</i>	<i>1,045</i>	<i>4,845</i>	<i>18,389</i>
Medical services	6,497	—	6,497	223	757	395	1,375	7,872
Other professional services	195	—	195	215	758	182	1,155	1,350
Total pharmaceuticals	2,504	11	2,515	44	2,063	35	2,142	4,657
Benefit paid pharmaceuticals	2,504	—	2,504	—	493	—	493	2,997
All other pharmaceuticals	—	11	11	44	1,569	35	1,649	1,660
Aids and appliances	148	—	148	172	438	32	642	789
Other non-institutional services	1,190	1,980	3,170	1,069	1,444	12	2,525	5,695
Community and public health ^(c)	554	1,452	2,006	2	—	3	4	2,010
Dental services	152	205	356	564	1,444	10	2,017	2,373
Administration	484	323	808	504	—	—	504	1,311
Research	444	85	529	—	109	—	109	638
<i>Total non-institutional</i>	<i>11,102</i>	<i>2,075</i>	<i>13,053</i>	<i>1,724</i>	<i>5,568</i>	<i>656</i>	<i>7,948</i>	<i>21,001</i>
Total recurrent expenditure	18,918	7,804	26,598	4,426	6,666	1,701	12,793	39,390
Capital expenditure	80	903	983	n.a.	n.a.	n.a.	^(d) 839	1,822
Capital consumption	18	553	571	..	..	..	^(e) ..	571
Total health expenditure	19,016	9,260	28,152	n.a.	n.a.	n.a.	13,631	41,783

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table 25: Total health services expenditure, current prices, by area of expenditure and source of funds, 1996–97^(a), (\$ million)

Area of expenditure	Government sector			Non-government sector				Total expenditure
	Common-wealth	State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
Total hospitals	5,758	5,870	11,628	2,797	384	1,025	4,206	15,834
Recognised public hospitals	5,379	5,541	10,920	360	88	606	1,053	11,973
Private hospitals	354	—	354	2,437	288	415	3,139	3,493
Repatriation hospitals	16	—	16	—	—	—	1	16
Public psychiatric hospitals	9	329	338	—	9	5	13	352
Nursing homes	2,298	156	2,454	—	695	—	695	3,148
Ambulance	46	210	256	93	126	33	252	509
Other institutional (nec)	—	—	—	—	—	—	—	—
Total institutional	8,102	6,236	14,338	2,890	1,205	1,058	5,153	19,492
Medical services	6,713	—	6,713	229	818	438	1,485	8,198
Other professional services	203	—	203	225	788	191	1,204	1,407
Total pharmaceuticals	2,718	11	2,729	44	2,245	37	2,327	5,056
Benefit paid pharmaceuticals	2,718	—	2,718	—	550	—	550	3,268
All other pharmaceuticals	—	11	11	44	1,696	37	1,777	1,788
Aids and appliances	154	—	154	184	467	37	688	842
Other non-institutional services	1,246	1,981	3,227	1,128	1,551	12	2,691	5,918
Community and public health ^(c)	728	1,365	2,093	1	—	3	4	2,097
Dental services	97	297	394	596	1,551	9	2,157	2,551
Administration	421	319	740	530	—	—	530	1,271
Research	462	102	565	—	—	119	119	683
Total non-institutional	11,496	2,095	13,591	1,810	5,870	834	8,514	22,105
Total recurrent expenditure	19,598	8,331	27,929	4,700	7,075	1,892	13,667	41,596
Capital expenditure	58	1,122	1,180	n.a.	n.a.	n.a.	^(d) 972	2,152
Capital consumption	25	506	531	..	..	..	^(e) ..	531
Total health expenditure	19,681	9,959	29,640	n.a.	n.a.	n.a.	14,639	44,279

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure

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Appendix A: Experimental State health expenditure matrices

Table A1:	Total health services expenditure, current prices, New South Wales, by area of expenditure and source of funds, 1995–96, (\$ million)	A-1
Table A2:	Total health services expenditure, current prices, New South Wales, by area of expenditure and source of funds, 1996–97, (\$ million)	A-2
Table A3:	Total health services expenditure, current prices, Victoria, by area of expenditure and source of funds, 1995–96, (\$ million)	A-3
Table A4:	Total health services expenditure, current prices, Victoria, by area of expenditure and source of funds, 1996–97, (\$ million)	A-4
Table A5:	Total health services expenditure, current prices, Queensland, by area of expenditure and source of funds, 1995–96, (\$ million)	A-5
Table A6:	Total health services expenditure, current prices, Queensland, by area of expenditure and source of funds, 1996–97, (\$ million)	A-6
Table A7:	Total health services expenditure, current prices, Western Australia, by area of expenditure and source of funds, 1995–96, (\$ million)	A-7
Table A8:	Total health services expenditure, current prices, Western Australia, by area of expenditure and source of funds, 1996–97, (\$ million)	A-8
Table A9:	Total health services expenditure, current prices, South Australia, by area of expenditure and source of funds, 1995–96, (\$ million)	A-9
Table A10:	Total health services expenditure, current prices, South Australia, by area of expenditure and source of funds, 1996–97, (\$ million)	A-10
Table A11:	Total health services expenditure, current prices, Tasmania, by area of expenditure and source of funds, 1995–96, (\$ million)	A-11
Table A12:	Total health services expenditure, current prices, Tasmania, by area of expenditure and source of funds, 1996–97, (\$ million)	A-12
Table A13:	Total health services expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 1995–96, (\$ million) .	A-13
Table A14:	Total health services expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds, 1996–97, (\$ million) .	A-14
Table A15:	Total health services expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 1995–96, (\$ million)	A-15
Table A16:	Total health services expenditure, current prices, Northern Territory, by area of expenditure and source of funds, 1996–97, (\$ million)	A-16

Table A1: Total health services expenditure, current prices, New South Wales, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	262	1,528	1,790	2,190	3,981	795	62	467	1,325	5,305
Public non-psychiatric hospitals	190	1,528	1,718	2,024	3,742	172	—	340	512	4,255
Recognised public hospitals	174	1,528	1,702	2,024	3,727	172	—	340	512	4,239
Repatriation hospitals	16	—	16	—	16	—	—	—	—	16
Private hospitals	70	—	70	—	70	623	51	122	796	866
Public psychiatric hospitals	2	—	2	166	168	—	12	5	17	185
Nursing homes	23	804	828	58	886	—	268	—	268	1,154
Ambulance	9	1	10	58	68	61	9	17	88	156
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>294</i>	<i>2,334</i>	<i>2,628</i>	<i>2,307</i>	<i>4,935</i>	<i>857</i>	<i>339</i>	<i>485</i>	<i>1,681</i>	<i>6,616</i>
Medical services	137	2,269	2,406	—	2,406	74	257	154	485	2,891
Other professional services	21	50	71	—	71	80	258	61	399	469
Total pharmaceuticals	50	892	941	—	941	20	697	13	729	1,670
Benefit paid pharmaceuticals	50	892	941	—	941	—	159	—	159	1,100
All other pharmaceuticals	—	—	—	—	—	20	538	13	570	570
Aids and appliances	3	50	54	—	54	79	152	13	244	297
Other non-institutional services	45	332	377	329	706	422	561	4	986	1,692
Community and public health ^(c)	18	196	214	176	390	1	—	1	2	392
Dental services	15	38	52	34	86	228	561	3	792	878
Administration	12	99	111	119	230	192	—	—	192	422
Research	1	120	121	28	149	—	—	33	33	182
<i>Total non-institutional</i>	<i>257</i>	<i>3,713</i>	<i>3,970</i>	<i>356</i>	<i>4,326</i>	<i>674</i>	<i>1,925</i>	<i>278</i>	<i>2,876</i>	<i>7,203</i>
Total recurrent expenditure	551	6,047	6,598	2,663	9,261	1,531	2,264	762	4,557	13,818
Capital expenditure	—	23	23	457	480	n.a.	n.a.	n.a.	^(d) 349	829
Capital consumption	—	5	5	241	246	..	..	..	^(e) ..	246
Total health expenditure	551	6,075	6,626	3,361	9,987	n.a.	n.a.	n.a.	4,907	14,894

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A2: Total health services expenditure, current prices, New South Wales, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	261	1,597	1,879	2,363	4,242	853	34	488	1,376	5,617
Public non-psychiatric hospitals	182	1,597	1,779	2,182	3,961	163	-17	328	474	4,435
Recognised public hospitals	166	1,597	1,763	2,182	3,945	163	-17	328	473	4,418
Repatriation hospitals	16	—	16	—	16	—	—	—	—	16
Private hospitals	95	—	95	—	95	690	46	156	892	987
Public psychiatric hospitals	5	—	5	182	187	—	6	4	10	196
Nursing homes	20	917	937	26	963	—	274	—	274	1,237
Ambulance	10	1	11	51	63	62	20	17	99	162
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>311</i>	<i>2,516</i>	<i>2,827</i>	<i>2,441</i>	<i>5,268</i>	<i>916</i>	<i>327</i>	<i>506</i>	<i>1,749</i>	<i>7,016</i>
Medical services	153	2,309	2,462	—	2,462	75	281	187	543	3,004
Other professional services	22	51	72	—	72	84	264	74	422	494
Total pharmaceuticals	73	944	1,017	—	1,017	198	805	16	840	1,857
Benefit paid pharmaceuticals	73	944	1,017	—	1,017	—	200	—	200	1,217
All other pharmaceuticals	—	—	—	—	—	19	604	16	640	640
Aids and appliances	3	50	53	—	53	82	103	16	202	255
Other non-institutional services	42	369	411	465	876	444	604	5	1,053	1,929
Community and public health ^(c)	19	230	249	262	511	—	—	1	2	513
Dental services	14	19	33	81	114	236	604	5	1,053	1,929
Administration	9	120	129	122	251	207	—	—	207	458
Research	1	121	122	30	152	—	—	34	34	186
<i>Total non-institutional</i>	<i>293</i>	<i>3,844</i>	<i>4,137</i>	<i>495</i>	<i>4,632</i>	<i>704</i>	<i>2,057</i>	<i>322</i>	<i>3,093</i>	<i>7,724</i>
Total recurrent expenditure	604	6,360	6,964	2,935	9,899	1,619	2,384	838	4,841	14,741
Capital expenditure	—	13	13	421	434	n.a.	n.a.	n.a.	^(d) 260	694
Capital consumption	—	9	9	213	221	..	..	..	^(e) ..	221
Total health expenditure	604	6,382	6,986	3,569	10,555	n.a.	n.a.	n.a.	5,102	15,656

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A3: Total health services expenditure, current prices, Victoria, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	210	1,101	1,310	1,154	2,465	736	113	325	1,174	3,638
Public non-psychiatric hospitals	159	1,101	1,260	1,071	2,331	90	—	223	313	2,644
Recognised public hospitals	159	1,101	1,260	1,071	2,331	90	—	223	313	2,644
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	49	—	49	—	49	646	112	102	860	909
Public psychiatric hospitals	1	—	1	83	85	—	1	—	1	85
Nursing homes	11	491	501	45	546	—	156	—	156	702
Ambulance	5	—	5	49	55	8	20	8	36	90
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
Total institutional	225	1,591	1,817	1,249	3,066	744	289	333	1,365	4,431
Medical services	78	1,537	1,616	—	1,616	62	188	75	325	1,941
Other professional services	11	34	45	—	45	39	252	42	333	378
Total pharmaceuticals	25	591	616	9	626	5	450	10	465	1,091
Benefit paid pharmaceuticals	25	591	616	—	616	—	109	—	109	725
All other pharmaceuticals	—	—	—	9	9	5	342	10	356	366
Aids and appliances	—	31	31	—	31	26	95	7	129	160
Other non-institutional services	22	229	251	436	687	218	578	3	799	1,486
Community and public health ^(c)	6	132	138	445	583	—	—	1	1	584
Dental services	7	27	34	38	72	98	578	2	678	749
Administration	9	70	79	–47	32	120	—	—	120	152
Research	1	139	140	90	229	—	—	39	39	268
Total non-institutional	137	2,562	2,699	535	3,234	350	1,563	175	2,088	5,322
Total recurrent expenditure	362	4,154	4,516	1,783	6,299	1,094	1,852	508	3,453	9,753
Capital expenditure	—	15	15	96	111	n.a.	n.a.	n.a.	^(d) 211	322
Capital consumption	—	3	3	77	80	..	..	..	^(e) ..	80
Total health expenditure	362	4,173	4,535	1,956	6,491	n.a.	n.a.	n.a.	3,664	10,155

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A4: Total health services expenditure, current prices, Victoria, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	220	1,107	1,327	1,357	2,683	782	184	246	1,213	3,896
Public non-psychiatric hospitals	155	1,107	1,262	1,346	2,609	84	69	133	285	2,894
Recognised public hospitals	155	1,107	1,262	1,346	2,609	84	69	133	285	2,894
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	63	—	63	—	63	699	117	113	929	992
Public psychiatric hospitals	1	—	1	10	12	—	–1	—	–1	10
Nursing homes	11	539	550	44	594	—	161	—	161	755
Ambulance	6	—	6	59	64	7	49	8	64	128
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>237</i>	<i>1,645</i>	<i>1,882</i>	<i>1,459</i>	<i>3,341</i>	<i>789</i>	<i>394</i>	<i>254</i>	<i>1,438</i>	<i>4,779</i>
Medical services	97	1,593	1,690	—	1,690	63	203	74	339	2,030
Other professional services	12	35	47	—	47	40	267	40	347	394
Total pharmaceuticals	38	629	666	11	677	5	495	10	510	1,187
Benefit paid pharmaceuticals	38	629	666	—	666	—	135	—	135	801
All other pharmaceuticals	—	—	—	11	11	5	360	10	375	386
Aids and appliances	—	33	33	—	33	29	127	8	164	197
Other non-institutional services	20	263	284	345	629	230	618	3	850	1,479
Community and public health ^(c)	6	156	161	375	537	—	—	1	1	538
Dental services	7	15	23	43	66	102	618	2	722	788
Administration	7	92	99	–74	26	127	—	—	127	153
Research	1	144	145	43	188	—	—	44	44	232
<i>Total non-institutional</i>	<i>168</i>	<i>2,697</i>	<i>2,865</i>	<i>399</i>	<i>3,265</i>	<i>367</i>	<i>1,710</i>	<i>178</i>	<i>2,254</i>	<i>5,519</i>
Total recurrent expenditure	405	4,343	4,748	1,858	6,606	1,156	2,104	432	3,692	10,299
Capital expenditure	—	14	14	172	186	n.a.	n.a.	n.a.	^(d) 320	506
Capital consumption	—	7	7	74	81	..	..	..	^(e) ..	81
Total health expenditure	405	4,364	4,769	2,104	6,873	n.a.	n.a.	n.a.	4,013	10,886

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A5: Total health services expenditure, current prices, Queensland, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	128	879	1,007	887	1,894	467	83	72	622	2,515
Public non-psychiatric hospitals	8	879	887	815	1,702	43	—	29	72	1,774
Recognised public hospitals	8	879	887	815	1,702	43	—	29	72	1,774
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	117	—	118	—	118	424	80	43	547	664
Public psychiatric hospitals	3	—	3	72	74	—	3	—	3	77
Nursing homes	8	278	286	58	344	—	111	—	111	455
Ambulance	5	5	10	27	37	9	52	1	62	99
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>141</i>	<i>1,162</i>	<i>1,303</i>	<i>972</i>	<i>2,275</i>	<i>476</i>	<i>246</i>	<i>73</i>	<i>795</i>	<i>3,069</i>
Medical services	84	1,056	1,140	—	1,140	40	139	30	209	1,349
Other professional services	10	26	37	—	37	35	134	12	181	217
Total pharmaceuticals	25	406	432	—	432	8	351	1	360	791
Benefit paid pharmaceuticals	25	406	432	—	432	—	75	—	75	507
All other pharmaceuticals	—	—	—	—	—	8	276	1	284	284
Aids and appliances	—	25	25	—	25	28	76	—	104	129
Other non-institutional services	20	204	224	321	546	152	134	1	287	833
Community and public health ^(c)	4	136	139	262	401	—	—	—	—	402
Dental services	8	21	29	64	93	81	134	1	216	308
Administration	8	48	56	–4	52	71	—	—	71	123
Research	—	61	61	6	67	—	—	13	13	79
<i>Total non-institutional</i>	<i>139</i>	<i>1,779</i>	<i>1,918</i>	<i>327</i>	<i>2,245</i>	<i>262</i>	<i>835</i>	<i>57</i>	<i>1,154</i>	<i>3,399</i>
Total recurrent expenditure	280	2,941	3,221	1,299	4,520	739	1,080	129	1,948	6,468
Capital expenditure	—	10	10	198	208	n.a.	n.a.	n.a.	^(d) 132	340
Capital consumption	—	2	2	105	107	..	..	..	^(e) ..	107
Total health expenditure	280	2,953	3,233	1,602	4,835	n.a.	n.a.	n.a.	2,080	6,915

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A6: Total health services expenditure, current prices, Queensland, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	142	923	1,064	984	2,048	517	77	79	673	2,721
Public non-psychiatric hospitals	8	923	931	895	1,825	40	15	27	92	1,918
Recognised public hospitals	8	923	931	895	1,825	40	15	27	92	1,964
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	132	—	132	—	132	477	57	51	585	716
Public psychiatric hospitals	2	—	2	89	91	—	5	1	6	97
Nursing homes	8	324	333	40	372	—	114	—	114	486
Ambulance	7	5	12	54	66	9	30	2	41	107
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>157</i>	<i>1,252</i>	<i>1,409</i>	<i>1,078</i>	<i>2,486</i>	<i>526</i>	<i>221</i>	<i>81</i>	<i>828</i>	<i>3,314</i>
Medical services	94	1,112	1,206	—	1,206	43	155	28	226	1,432
Other professional services	12	28	39	—	39	37	134	15	187	226
Total pharmaceuticals	37	434	472	—	472	8	400	2	409	881
Benefit paid pharmaceuticals	37	434	472	—	472	—	96	—	96	567
All other pharmaceuticals	—	—	—	—	—	8	304	2	313	313
Aids and appliances	—	28	28	—	28	30	106	1	137	165
Other non-institutional services	19	227	246	296	542	162	145	1	308	850
Community and public health ^(c)	4	159	163	178	341	—	—	—	—	341
Dental services	9	11	19	91	111	88	145	1	234	345
Administration	7	58	64	26	91	74	—	—	74	164
Research	—	61	61	10	72	—	—	15	15	86
<i>Total non-institutional</i>	<i>162</i>	<i>1,890</i>	<i>2,052</i>	<i>306</i>	<i>2,358</i>	<i>281</i>	<i>940</i>	<i>61</i>	<i>1,282</i>	<i>3,640</i>
Total recurrent expenditure	319	3,142	3,461	1,384	4,845	807	1,161	142	2,110	6,954
Capital expenditure	—	10	10	317	327	n.a.	n.a.	n.a.	^(d) 230	557
Capital consumption	—	5	5	107	111	..	..	..	^(e) ..	111
Total health expenditure	319	3,157	3,476	1,807	5,283	n.a.	n.a.	n.a.	2,339	7,622

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A7: Total health services expenditure, current prices, Western Australia, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	50	515	564	442	1,006	240	24	72	336	1,342
Public non-psychiatric hospitals	9	515	524	395	918	31	—	35	66	985
Recognised public hospitals	9	515	524	395	918	31	—	35	66	985
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	40	—	40	—	40	209	23	37	269	309
Public psychiatric hospitals	1	—	1	47	47	—	1	—	1	48
Nursing homes	4	158	161	22	183	—	52	—	52	235
Ambulance	2	6	8	17	25	10	–1	2	11	36
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>56</i>	<i>678</i>	<i>734</i>	<i>480</i>	<i>1,214</i>	<i>250</i>	<i>76</i>	<i>73</i>	<i>399</i>	<i>1,613</i>
Medical services	25	521	546	—	546	19	63	46	129	675
Other professional services	4	13	17	—	17	30	36	27	94	111
Total pharmaceuticals	8	192	200	—	200	4	194	5	203	402
Benefit paid pharmaceuticals	8	192	200	—	200	—	38	—	38	237
All other pharmaceuticals	—	—	—	—	—	4	156	5	165	165
Aids and appliances	1	15	15	—	15	15	44	4	63	78
Other non-institutional services	9	87	96	385	481	130	43	2	174	655
Community and public health ^(c)	1	50	51	196	247	—	—	—	—	247
Dental services	3	10	13	32	45	87	43	1	131	176
Administration	4	28	32	157	189	42	—	—	42	231
Research	0	38	38	3	41	—	—	7	7	48
<i>Total non-institutional</i>	<i>46</i>	<i>865</i>	<i>911</i>	<i>389</i>	<i>1,300</i>	<i>198</i>	<i>380</i>	<i>91</i>	<i>669</i>	<i>1,969</i>
Total recurrent expenditure	102	1,544	1,646	869	2,514	448	456	165	1,068	3,583
Capital expenditure	—	5	5	45	50	n.a.	n.a.	n.a.	^(d) 46	96
Capital consumption	—	1	1	48	49	..	..	..	^(e) ..	49
Total health expenditure	102	1,549	1,651	962	2,613	n.a.	n.a.	n.a.	1,114	3,727

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A8: Total health services expenditure, current prices, Western Australia, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	52	509	561	527	1,089	247	63	84	394	1,483
Public non-psychiatric hospitals	8	509	518	486	1,004	31	26	40	97	1,101
Recognised public hospitals	8	509	518	486	1,004	31	26	40	97	1,101
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	43	—	43	—	43	216	36	44	296	339
Public psychiatric hospitals	—	—	—	41	41	—	1	—	1	42
Nursing homes	4	170	173	14	187	—	54	—	54	241
Ambulance	3	6	9	18	27	12	6	2	20	46
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>59</i>	<i>685</i>	<i>743</i>	<i>559</i>	<i>1,302</i>	<i>259</i>	<i>122</i>	<i>86</i>	<i>468</i>	<i>1,770</i>
Medical services	27	528	555	—	555	19	67	49	135	690
Other professional services	4	14	18	—	18	29	43	26	98	116
Total pharmaceuticals	11	207	219	—	219	4	228	5	237	455
Benefit paid pharmaceuticals	11	207	219	—	219	—	47	—	47	266
All other pharmaceuticals	—	—	—	—	—	4	181	5	189	189
Aids and appliances	—	16	16	—	16	16	52	4	72	88
Other non-institutional services	8	93	101	321	421	139	46	1	187	608
Community and public health ^(c)	1	55	56	127	184	—	—	—	—	184
Dental services	4	5	8	35	43	93	46	1	140	184
Administration	3	33	36	158	195	46	—	—	46	241
Research	—	41	42	5	47	—	—	8	8	54
<i>Total non-institutional</i>	<i>51</i>	<i>899</i>	<i>949</i>	<i>326</i>	<i>1,275</i>	<i>208</i>	<i>436</i>	<i>94</i>	<i>737</i>	<i>2,012</i>
Total recurrent expenditure	109	1,583	1,693	884	2,577	467	550	180	1,205	3,782
Capital expenditure	—	3	3	65	68	n.a.	n.a.	n.a.	^(d) 37	105
Capital consumption	—	1	1	39	40	..	..	..	^(e) ..	40
Total health expenditure	109	1,588	1,697	988	2,685	n.a.	n.a.	n.a.	1,242	3,928

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A9: Total health services expenditure, current prices, South Australia, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	73	507	580	326	906	248	3	57	308	1,215
Public hospitals ^(c)	66	507	573	326	900	27	2	22	51	950
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	6	—	6	—	6	222	2	34	258	264
Nursing homes	4	189	193	29	222	—	63	—	63	286
Ambulance	3	3	6	13	18	3	35	2	39	58
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>80</i>	<i>699</i>	<i>778</i>	<i>368</i>	<i>1,147</i>	<i>251</i>	<i>102</i>	<i>59</i>	<i>411</i>	<i>1,558</i>
Medical services	23	488	511	—	511	21	61	61	143	654
Other professional services	5	11	16	—	16	27	49	19	95	111
Total pharmaceuticals	8	199	208	1	209	6	223	3	233	442
Benefit paid pharmaceuticals	8	199	208	—	208	—	36	—	36	243
All other pharmaceuticals	—	—	—	1	1	6	188	3	197	199
Aids and appliances	—	17	17	—	17	18	53	3	74	91
Other non-institutional services	8	88	97	113	210	114	74	1	189	399
Community and public health ^(d)	2	47	48	34	82	—	—	—	1	82
Dental services	3	11	14	26	40	56	74	1	131	171
Administration	3	31	34	53	88	58	—	—	58	146
Research	—	39	40	8	48	—	—	10	10	58
<i>Total non-institutional</i>	<i>45</i>	<i>843</i>	<i>888</i>	<i>123</i>	<i>1,011</i>	<i>187</i>	<i>461</i>	<i>98</i>	<i>745</i>	<i>1,756</i>
Total recurrent expenditure	124	1,542	1,666	491	2,158	438	562	156	1,157	3,314
Capital expenditure	—	6	6	40	45	n.a.	n.a.	n.a.	^(e) 56	101
Capital consumption	—	1	1	43	44	..	..	..	^(f) ..	44
Total health expenditure	124	1,548	1,673	574	2,247	n.a.	n.a.	n.a.	1,212	3,459

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Public recognised and public psychiatric hospitals cannot be separated for reasons of confidentiality.

(d) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A10: Total health services expenditure, current prices, South Australia, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	74	515	588	352	941	260	13	43	317	1,258
Public hospitals ^(c)	65	515	580	352	932	25	7	19	51	983
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	8	—	8	—	8	236	6	24	267	275
Nursing homes	5	205	209	27	237	—	66	—	66	302
Ambulance	4	3	6	13	20	2	11	2	15	35
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>82</i>	<i>722</i>	<i>804</i>	<i>393</i>	<i>1,197</i>	<i>263</i>	<i>104</i>	<i>31</i>	<i>398</i>	<i>1,595</i>
Medical services	24	492	516	—	516	22	61	70	153	670
Other professional services	4	11	15	—	15	29	51	21	101	116
Total pharmaceuticals	12	216	228	—	228	6	209	2	218	446
Benefit paid pharmaceuticals	12	216	228	—	228	—	45	—	45	273
All other pharmaceuticals	—	—	—	—	—	6	164	2	173	173
Aids and appliances	—	17	17	—	17	19	55	3	77	94
Other non-institutional services	8	92	100	148	248	119	79	1	198	446
Community and public health ^(d)	1	49	51	57	108	—	—	—	—	108
Dental services	3	6	9	27	36	61	79	1	140	176
Administration	3	37	40	63	104	58	—	—	58	162
Research	—	48	48	9	58	—	—	11	11	69
<i>Total non-institutional</i>	<i>48</i>	<i>876</i>	<i>925</i>	<i>157</i>	<i>1,082</i>	<i>195</i>	<i>455</i>	<i>108</i>	<i>758</i>	<i>1,840</i>
Total recurrent expenditure	130	1,598	1,729	551	2,279	458	545	139	1,156	3,435
Capital expenditure	—	4	4	105	110	n.a.	n.a.	n.a.	^(e) 84	194
Capital consumption	—	2	2	42	44	..	..	..	^(f) ..	44
Total health expenditure	130	1,605	1,735	698	2,433	n.a.	n.a.	n.a.	1,211	3,673

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Public recognised and public psychiatric hospitals cannot be separated for reasons of confidentiality.

(d) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A11: Total health services expenditure, current prices, Tasmania, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	26	145	170	97	267	79	27	36	142	409
Public hospitals ^(c)	18	145	162	97	259	8	—	24	33	292
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	8	—	8	—	8	71	26	12	109	117
Nursing homes	1	64	65	8	73	—	20	—	20	93
Ambulance	1	—	1	9	10	—	—	1	1	11
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>28</i>	<i>209</i>	<i>237</i>	<i>114</i>	<i>351</i>	<i>80</i>	<i>46</i>	<i>37</i>	<i>163</i>	<i>513</i>
Medical services	13	140	153	—	153	6	22	13	40	194
Other professional services	2	4	6	—	6	4	8	8	20	26
Total pharmaceuticals	5	65	71	—	71	2	49	1	52	123
Benefit paid pharmaceuticals	5	65	71	—	71	—	12	—	12	82
All other pharmaceuticals	—	—	—	—	—	2	38	1	41	41
Aids and appliances	—	4	4	—	4	5	11	1	17	21
Other non-institutional services	5	36	41	110	151	28	20	0	49	200
Community and public health ^(d)	2	22	24	97	120	—	—	—	—	121
Dental services	1	3	4	8	13	11	20	—	32	45
Administration	2	11	13	5	17	17	—	—	17	34
Research	—	7	7	–1	6	—	—	1	1	7
<i>Total non-institutional</i>	<i>26</i>	<i>256</i>	<i>282</i>	<i>108</i>	<i>390</i>	<i>45</i>	<i>110</i>	<i>25</i>	<i>180</i>	<i>570</i>
Total recurrent expenditure	54	465	519	223	741	125	156	62	342	1,084
Capital expenditure	—	3	3	26	29	n.a.	n.a.	n.a.	^(e) 45	74
Capital consumption	—	1	1	12	12	..	..	..	^(f) ..	12
Total health expenditure	54	468	522	260	782	n.a.	n.a.	n.a.	388	1,170

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Public recognised and public psychiatric hospitals cannot be separated for reasons of confidentiality.

(d) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A12: Total health services expenditure, current prices, Tasmania, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	25	144	169	106	274	87	20	38	145	420
Public hospitals ^(c)	17	144	160	106	266	7	n.a.	22	30	295
Repatriation hospitals	—	—	—	—	—	—	—	—	—	—
Private hospitals	9	—	9	—	9	80	20	16	116	124
Nursing homes	1	70	71	6	77	—	20	—	20	97
Ambulance	1	0	1	10	12	—	6	1	7	19
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>28</i>	<i>214</i>	<i>242</i>	<i>122</i>	<i>363</i>	<i>87</i>	<i>47</i>	<i>39</i>	<i>173</i>	<i>536</i>
Medical services	13	144	157	—	157	6	23	15	45	202
Other professional services	2	4	6	—	6	5	8	10	23	29
Total pharmaceuticals	7	69	77	—	77	2	60	1	63	139
Benefit paid pharmaceuticals	7	69	77	—	77	—	15	—	15	91
All other pharmaceuticals	—	—	—	—	—	2	45	1	48	48
Aids and appliances	—	4	4	—	4	6	11	1	18	23
Other non-institutional services	5	41	46	193	239	29	18	1	48	287
Community and public health ^(d)	2	25	27	195	222	—	—	—	—	222
Dental services	1	2	3	11	14	13	18	—	31	45
Administration	2	15	16	-13	4	16	—	—	16	20
Research	—	7	7	-1	6	—	—	1	1	7
<i>Total non-institutional</i>	<i>28</i>	<i>269</i>	<i>297</i>	<i>193</i>	<i>490</i>	<i>48</i>	<i>120</i>	<i>29</i>	<i>191</i>	<i>687</i>
Total recurrent expenditure	55	483	539	314	853	135	167	68	370	1,223
Capital expenditure	—	2	2	15	17	n.a.	n.a.	n.a.	^(e) 40	57
Capital consumption	—	1	1	10	11	..	..	..	^(f) ..	11
Total health expenditure	55	486	542	339	881	n.a.	n.a.	n.a.	410	1,290

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Public recognised and public psychiatric hospitals cannot be separated for reasons of confidentiality.

(d) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(e) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(f) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A13: Total health services expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	5	70	75	131	206	33	1	14	49	254
Recognised public hospitals	2	70	72	131	203	7	—	7	15	218
Private hospitals	3	—	3	—	3	26	1	6	34	37
Nursing homes	—	13	14	3	16	—	5	—	5	21
Ambulance	—	—	—	4	4	—	1	1	1	5
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>5</i>	<i>83</i>	<i>88</i>	<i>137</i>	<i>226</i>	<i>33</i>	<i>7</i>	<i>14</i>	<i>55</i>	<i>280</i>
Medical services	6	85	91	—	91	—	20	12	32	123
Other professional services	1	3	3	—	3	—	16	7	23	26
Total pharmaceuticals	1	28	29	—	29	—	28	1	28	57
Benefit paid pharmaceuticals	1	28	29	—	29	—	7	—	7	36
All other pharmaceuticals	—	—	—	—	—	—	21	1	21	21
Aids and appliances	—	2	2	—	2	—	6	1	6	8
Other non-institutional services	17	18	34	42	76	—	33	0	33	109
Community and public health ^(c)	2	9	11	42	53	—	—	0	0	53
Dental services	0	1	2	3	5	—	33	0	33	38
Administration	15	7	22	—4	18	—	—	—	—	18
Research	0	34	34	4	38	—	—	5	5	43
<i>Total non-institutional</i>	<i>25</i>	<i>169</i>	<i>194</i>	<i>46</i>	<i>240</i>	<i>—</i>	<i>103</i>	<i>25</i>	<i>128</i>	<i>368</i>
Total recurrent expenditure	30	252	282	183	465	33	110	40	183	648
Capital expenditure	—	17	17	16	34	n.a.	n.a.	n.a.	^(d) —	34
Capital consumption	—	5	5	21	27	..	..	..	^(e) ..	27
Total health expenditure	30	275	305	221	526	n.a.	n.a.	n.a.	183	709

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A14: Total health services expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	7	78	85	126	211	37	3	20	59	296
Recognised public hospitals	3	78	81	126	207	9	–2	14	21	254
Private hospitals	4	—	4	—	4	29	3	6	38	42
Nursing homes	—	16	16	—	16	—	5	—	5	21
Ambulance	—	—	—	4	4	—	3	1	3	7
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	7	94	102	130	231	37	9	21	67	324
Medical services	6	88	94	—	94	—	22	11	33	127
Other professional services	0	3	3	—	3	—	16	5	21	24
Total pharmaceuticals	2	30	32	—	32	—	20	1	20	52
Benefit paid pharmaceuticals	2	30	32	—	32	—	9	—	9	41
All other pharmaceuticals	—	—	—	—	—	—	11	1	12	12
Aids and appliances	—	2	2	—	2	—	12	1	13	15
Other non-institutional services	18	19	36	66	102	—	36	—	36	139
Community and public health ^(c)	1	11	12	62	74	—	—	—	—	74
Dental services	0	1	1	4	5	—	36	—	36	41
Administration	16	7	24	—	24	—	—	—	—	24
Research	0	33	33	4	37	—	—	4	4	41
<i>Total non-institutional</i>	25	175	200	70	270	—	106	22	128	398
Total recurrent expenditure	33	269	302	199	501	37	115	43	195	696
Capital expenditure	—	10	10	13	24	n.a.	n.a.	n.a.	^(d) —	24
Capital consumption	—	—	—	16	16	..	..	..	^(e) ..	16
Total health expenditure	33	279	312	229	541	n.a.	n.a.	n.a.	195	736

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A15: Total health services expenditure, current prices, Northern Territory, by area of expenditure and source of funds^(a), 1995–96, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	83	83	46	129	11	2	9	23	152
Recognised public hospitals	—	83	83	46	129	1	—	5	6	135
Private hospitals	—	—	—	—	—	10	2	4	17	17
Nursing homes	—	6	6	—	6	—	2	—	2	8
Ambulance	—	1	1	—	1	—	1	—	1	3
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>1</i>	<i>90</i>	<i>91</i>	<i>46</i>	<i>137</i>	<i>11</i>	<i>5</i>	<i>10</i>	<i>26</i>	<i>163</i>
Medical services	—	33	34	—	34	1	6	4	11	45
Other professional services	—	1	1	—	1	1	7	1	10	11
Total pharmaceuticals	—	8	8	—	8	—	15	—	16	23
Benefit paid pharmaceuticals	—	8	8	—	8	—	2	—	2	10
All other pharmaceuticals	—	—	—	—	—	—	13	—	13	13
Aids and appliances	—	1	1	—	1	1	4	1	6	7
Other non-institutional services	—	17	17	144	161	5	2	—	6	167
Community and public health ^(c)	—	6	6	109	115	—	—	—	—	115
Dental services	—	1	1	4	5	2	2	—	4	9
Administration	—	10	10	30	40	3	—	—	3	43
Research	—	4	4	1	5	—	—	2	2	6
<i>Total non-institutional</i>	<i>1</i>	<i>64</i>	<i>65</i>	<i>144</i>	<i>210</i>	<i>8</i>	<i>33</i>	<i>9</i>	<i>50</i>	<i>260</i>
Total recurrent expenditure	1	155	156	191	347	19	38	19	76	423
Capital expenditure	—	—	—	18	18	n.a.	n.a.	n.a.	^(d) —	18
Capital consumption	—	—	—	7	7	..	..	..	^(e) ..	7
Total health expenditure	1	155	156	216	372	n.a.	n.a.	n.a.	76	448

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.

Table A16: Total health services expenditure, current prices, Northern Territory, by area of expenditure and source of funds^(a), 1996–97, (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Commonwealth			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	84	85	56	140	12	4	13	30	170
Recognised public hospitals	—	84	84	56	140	1	2	10	13	152
Private hospitals	1	—	1	—	1	12	2	3	17	18
Nursing homes	—	7	7	—	7	—	2	—	2	9
Ambulance	—	1	1	—	1	—	1	—	2	3
Other institutional (nec)	—	—	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>1</i>	<i>92</i>	<i>93</i>	<i>56</i>	<i>149</i>	<i>12</i>	<i>8</i>	<i>13</i>	<i>34</i>	<i>182</i>
Medical services	—	33	33	—	33	1	6	4	11	44
Other professional services	—	1	1	—	1	1	4	2	7	8
Total pharmaceuticals	—	9	9	—	9	—	29	—	30	38
Benefit paid pharmaceuticals	—	9	9	—	9	—	3	—	3	11
All other pharmaceuticals	—	—	—	—	—	—	27	—	27	27
Aids and appliances	—	1	1	—	1	1	2	2	4	6
Other non-institutional services	—	21	21	148	169	5	5	—	10	180
Community and public health ^(c)	—	9	9	107	117	—	—	—	—	117
Dental services	—	0	0	5	5	2	5	—	8	13
Administration	—	12	12	36	47	3	—	—	3	50
Research	—	4	4	2	6	—	—	2	2	8
<i>Total non-institutional</i>	<i>1</i>	<i>69</i>	<i>70</i>	<i>149</i>	<i>220</i>	<i>8</i>	<i>46</i>	<i>10</i>	<i>64</i>	<i>284</i>
Total recurrent expenditure	2	162	163	205	368	21	54	23	98	467
Capital expenditure	—	1	1	14	15	n.a.	n.a.	n.a.	^(d) —	15
Capital consumption	—	—	—	6	6	..	..	..	^(e) ..	6
Total health expenditure	2	162	164	225	389	n.a.	n.a.	n.a.	97	487

(a) This table shows the funding provided by the Commonwealth Government, State and Territory Governments and local government authorities and by the major sources of non-government funding. It does not show gross outlays on health services by the different levels of government or by non-government service providers.

(b) 'Other' includes expenditure on health services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (e.g. interest earned) of service providers.

(c) Includes expenditure that was previously classified as 'other non-institutional' as well as expenditure on community and public health services.

(d) Capital outlays for the non-government sector cannot be allocated according to source of funds.

(e) Non-government capital consumption (depreciation) expenditure is included as part of recurrent expenditure.