

Aboriginal and Torres Strait Islander health expenditure estimates 2010-11 to 2016-17

Web report | Last updated: 25 Jan 2021 | Topic: [First Nations people](#)

Summary

This report presents estimated health expenditure for Indigenous and non-Indigenous Australians from 2010-11 to 2016-17. This report is a companion piece to the health expenditure-related information reported in the [Aboriginal and Torres Strait Islander Health Performance Framework 2020](#). The total health expenditure per person for Indigenous Australians was 1.3 times that of non-Indigenous Australians in 2015-16.

Cat. no: IHW 238

Findings from this report:

- Average health expenditure per person for Indigenous Australians was estimated to be \$8,949 in 2015-16
- Health expenditure for Indigenous Australians was highest in Remote and Very Remote areas (\$9,005) in 2015-16
- Australian Government expenditure for Indigenous Australians increased from \$2,590 in 2010-11 to \$3,585 in 2016-17
- PBS medicine spending per person for Indigenous Australians was \$537 compared to \$891 for non-Indigenous ones in 2015-16

In 2015-16 average health expenditure per person for Indigenous Australians was estimated to be \$8,949, which was 1.3 times the amount for non-Indigenous Australians (\$6,657). Almost half of this spending was on hospital services (\$4,436) followed by medical services (\$1,332) and community health services (\$998).

This report contains interactive data visualisations that present estimated health expenditure for Indigenous and non-Indigenous Australians between 2010-11 and 2016-17. Indigenous health expenditure data was analysed based on spending areas and funding sources, to compare between states and territories and between remoteness levels. Expenditure data provided for the [Aboriginal and Torres Strait Islander Health Performance Framework 2020](#) are used in this web report, and some detailed analysis are presented for the 2015-16 reporting period. Data for all visualisations are also available in Excel data tables.

Health expenditure overview

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In 2015-16, average health expenditure per person for Indigenous Australians was estimated to be \$8,949, which was \$1.3 for every \$1.0 spent per person for non-Indigenous Australians. In the period 2010-11 to 2016-17, Australian Government health expenditure per person for Indigenous Australians grew by an average of 5.6% per annum in real terms (from \$2,590 to \$3,585).

The interactive figure shows Australian Government and state and territory governments health expenditure for Indigenous Australians between 2010-11 and 2016-17.

Viz 1. Government health expenditure per person for Indigenous Australians, constant prices (a), 2010-11 to 2016-17 (\$)

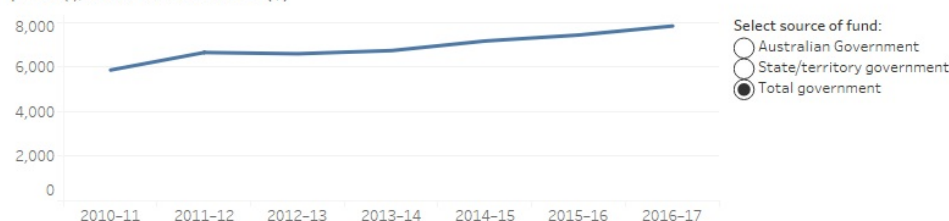
The line graph shows that the Australian Government and state/territory governments contributed significantly to the health expenditure per person for Indigenous Australians, growing from \$5,868 (2010-11) to \$7,844 (2016-17).

Overview of health expenditure per person, by indigenous status

Health expenditure per person in Australia, by Indigenous status, current prices, 2015-16 (\$)

	Indigenous	Non-Indigenous	Ratio
Aids and appliances	165	181	0.9
Community health services(d)	998	331	3.0
Dental services	414	416	1.0
Health administration	160	162	1.0
Medical services(c)	1,332	1,237	1.1
Medications(e)	558	890	0.6
Other professional services	188	240	0.8
Patient transport services	283	152	1.9
Private hospitals(b)	666	629	1.1
Public health	219	108	2.0
Public hospital services(a)	3,771	2,089	1.8
Research	195	220	0.9
Total health expenditure	8,949	6,657	1.3

Government health expenditure per person for Indigenous Australians, constant prices(f), 2010-11 to 2016-17(\$)



hospital.

(b) Includes state and territory government expenditure for services provided for public patients in private hospitals.

(c) Comprises referred and unreferred medical services.

(d) Includes other recurrent expenditure on health not elsewhere classified.

(e) Includes expenditure on the Pharmaceutical Benefits Scheme (PBS), Repatriation Pharmaceutical Benefits Scheme (RPBS) and other pharmaceutical related expenditure (such as under-copayment drugs, private scripts, over the counter medications and other schemes).

(f) Constant price health expenditure for 2010-11 to 2016-17 is expressed in terms of 2016-17 prices.

Note:

State/Territory Governments refers to net expenditure (gross expenditure less revenue less depreciation) reported by state and territory health authorities in the Government Health Expenditure National Minimum Data Set (GHENMDS).

Source: AIHW Health Expenditure Database.



Expenditure areas by funding sources

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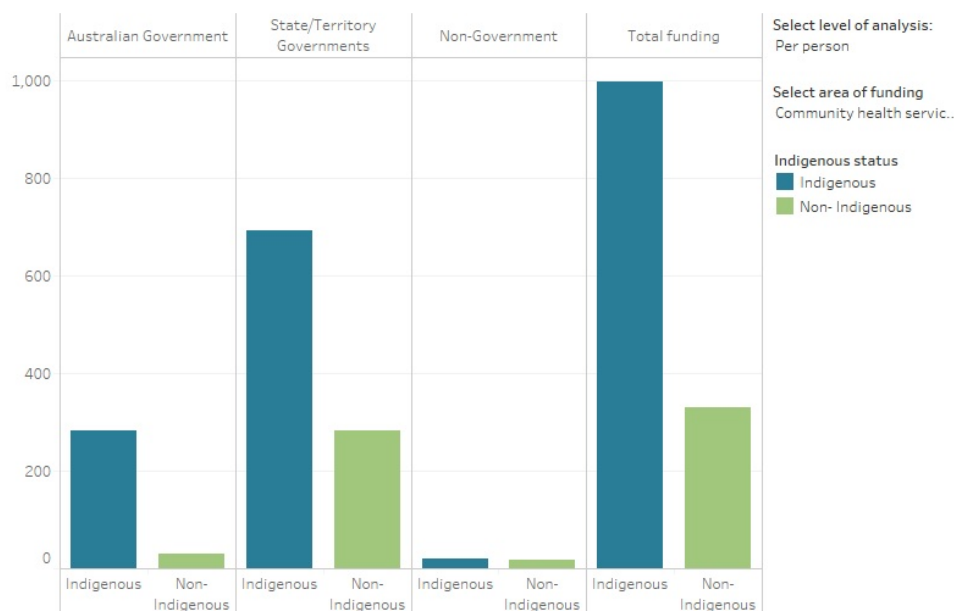
In 2015-16, on average \$4,436 was spent on hospital services per Indigenous person in the population (of which governments contributed 83%), while this number for a non-Indigenous Australian was \$2,718 (of which the government share was 78%).

The interactive figure shows the contribution of the Australian Government, state and territory governments, and non-government sector to key health expenditure areas for Indigenous and non-Indigenous Australian's in 2015-16.

Viz 2. Key areas of funding for Indigenous and non-Indigenous Australians, by source of funds, current prices, 2015-16 (\$)

The bar chart shows that the biggest contribution of the Australian Government and state/territory governments to the health expenditure per person for Indigenous Australians was public hospital services, followed by medical services and community health services in 2015-16. Governments provided an estimated 78% of the total funding used to pay for health-related goods and services for Indigenous Australians, compared with 69% for non-Indigenous Australians during 2015-16.

Health areas of funding for Indigenous and non-Indigenous Australians, by source of funds, current prices, 2015-16 (\$)



- (a) Excludes dental services, patient transport services, community health services, public health and research undertaken by hospitals.
 (b) Includes state and territory government funding for services provided for public patients in private hospitals.
 (c) Comprises referred and unreferred medical services.
 (d) Includes other recurrent funding for health not elsewhere classified.
 (e) Includes funding for the Pharmaceutical Benefits Scheme (PBS), Repatriation Pharmaceutical Benefits Scheme (RPBS) and other pharmaceutical related funding (such as under-copayment drugs, private scripts, over the counter medications and other schemes).

Source: AIHW Health Expenditure Database.

State and territory government spending

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In 2015-16, state and territory government expenditure per person for Indigenous Australians was highest in the Northern Territory (\$11,108 per person), followed by Western Australia (\$7,201) and lowest in Tasmania (\$2,193 per person).

The interactive figure shows state and territory government health expenditure per person for Indigenous and non-Indigenous Australians in 2015-16.

Viz 3. State and territory government (a) health expenditure (b) per person for Indigenous and non-Indigenous Australians, by area of expenditure, current prices, 2015-16 (\$)

The bar chart shows that there are minimal differences in state and territory government health expenditure per person for non-Indigenous Australians across states and territories in 2015-16. For Indigenous Australians in all states and territories, expenditure for public hospital services had the biggest share (72%), followed by community health services (14%). Northern Territory (\$11,108), Western Australia (\$7,201), and Queensland (\$5,670) had the highest health expenditure per person for Indigenous people.

State and territory governments(a) health expenditure(b) per person for Indigenous and non-Indigenous Australians, by areas of expenditure, current prices, 2015-16 (\$)



(a) Australian Capital Territory (ACT) per person expenditure estimates are not calculated because estimates for the ACT include substantial expenditures for New South Wales residents. As a result, the ACT population is not an appropriate denominator. Total includes the ACT.

(b) Refers to gross expenditure reported by state and territory health authorities in the Government Health Expenditure National Minimum Data Set (GHENMDS). Some state governments do not report spending on some areas, e.g., private hospitals.

(c) Admitted patient expenditure estimates have been adjusted for Aboriginal and Torres Strait Islander under-identification.

(d) Figures should not be interpreted as the true cost differentials for services provided to Aboriginal and Torres Strait Islander patients.

(e) Includes other recurrent expenditure on health not elsewhere classified.

(f) Health administration costs for New South Wales, Victoria and South Australia are zero, as these states allocate administration expenses to the functional expenditure areas in the table.

(g) Includes expenditure on health practitioners other than doctors and dentists (such as physiotherapists and optometrists), medical services, benefit paid pharmaceuticals and other medications, and aids and appliances.

Source: AIHW health expenditure database.

Spending by remoteness

This report presents estimated health expenditure for Indigenous and non-Indigenous Australians from 2010-11 to 2016-17. This report is a companion piece to the health expenditure-related information reported in the [Aboriginal and Torres Strait Islander Health Performance Framework 2020](#). The total health expenditure per person for Indigenous Australians was 1.3 times that of non-Indigenous Australians in 2015-16.

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In 2015-16, expenditure per person for Indigenous Australians for selected health services was highest in Remote and Very Remote areas (\$9,005 per person), followed by Inner regional and Outer regional areas (\$4,503 per person) and lowest for Major cities (\$3,976 per person)

The interactive figure shows health expenditure across remoteness areas for Indigenous and non-Indigenous Australians in 2015-16.

Viz 4. Health expenditure per person on selected health services (a), Indigenous and non-Indigenous Australians, by remoteness area of patient's residence, current prices, 2015-16 (\$)

The bar chart shows that health expenditure per person on selected health services for Indigenous Australians in 2015-16 in *Remote/Very Remote* areas (\$9,005) was higher than who living in *Major cities* (\$3,976) and *Inner and Outer regions* (\$4,503). Health expenditure for Indigenous Australians in *Remote and Very Remote* areas was nearly 2 times non-Indigenous people in 2015-16 (\$9,005 compared to \$4,808).

Health expenditure on selected health services(a), Indigenous and non-Indigenous Australians, by remoteness area of patient's residence, current prices, 2015-16 (\$)



(a) Excludes health expenditure on non-admitted patient services, patient transport, dental services, community health services other than Aboriginal Community Controlled Health Services (ACCHSs), other professional services, public health services, aids and appliances, research and health administration.

(b) Admitted patient service (APS) expenditure estimates have been adjusted for Aboriginal and Torres Strait Islander under-identification.

(c) Department of Health (DOH) expenditure on referred and unreferred medical services. Excludes allied health services, optometry and dental services. Includes medical services provision-related expenditure.

(d) DOH expenditure on benefit paid pharmaceuticals and other Pharmaceutical Benefits Scheme (PBS)-related expenditure. Excludes Repatriation Pharmaceutical Benefits Scheme (RPBS).

Source: AIHW Health Expenditure database.

Medicare Benefits Scheme and Pharmaceutical Benefits Scheme

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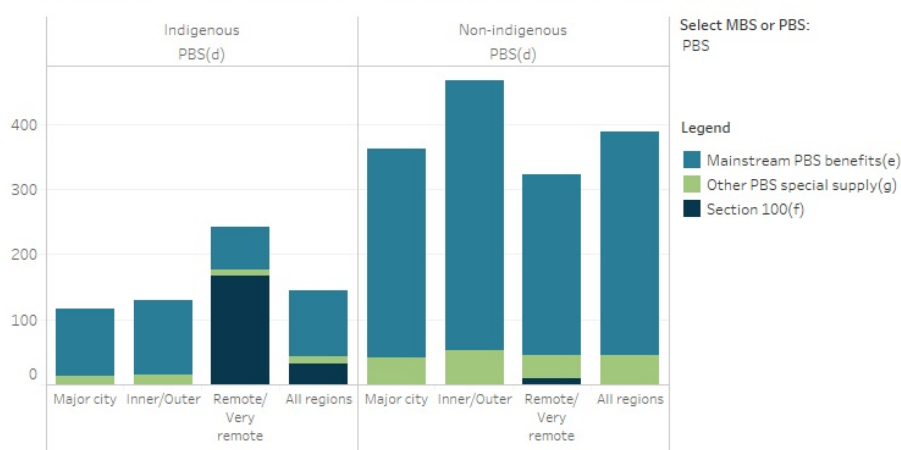
In 2015-16, Medicare Benefits Scheme (MBS) and Pharmaceutical Benefits Scheme (PBS) expenditure per person was \$1,341 per Indigenous Australian, which was comparable with \$1,288 per person for non-Indigenous Australians.

The interactive figure shows spending on MBS and PBS per person across remoteness areas for Indigenous and non-Indigenous people in 2015-16.

Viz 5. Medicare Benefits Scheme (MBS) and Pharmaceutical Benefits Scheme (PBS) expenditure per person, Indigenous and non-Indigenous Australians, by remoteness area of patient's residence, current prices, 2015-16 (\$)

The bar chart shows that in 2015-16, MBS and PBS expenditure per person for Indigenous Australians was highest in *Remote and Very Remote* areas, followed by *Inner and Outer regional* areas, and lowest in *Major cities*. MBS expenditure for Indigenous Australians was 1.3 times non-Indigenous Australians (\$1,196 compared with \$899 per person). The rate of PBS expenditure for Indigenous Australians was 37% of that for non-Indigenous Australians (\$145 compared with \$389 per person).

Medicare Benefits Schedule (MBS) and Pharmaceutical Benefit Scheme (PBS) expenditure per person, Indigenous and non-Indigenous Australians, by remoteness area of patient's residence, current prices, 2015-16 (\$)



(a) Department of Health expenditure on referred and unreferred medical services. Excludes allied health services, optometry and dental services. Includes medical services provision-related expenditure which have been included in the category Surgical and other procedures.

(b) Includes general practitioners and vocationally registered general practitioners.

(c) Includes enhanced primary care services, practice nurses and other unreferred services.

(d) Department of Health expenditure on benefit paid pharmaceuticals and other PBS-related expenditure. Other PBS-related expenditure included in 'Other PBS special supply'. Excludes Repatriation Pharmaceutical Benefits Scheme (RPBS).

(e) Mainstream PBS comprises section 85 pharmaceuticals only.

(f) In this table expenditure estimates for section 100 are restricted to medicines provided through Aboriginal Community Controlled Health Services (ACCHSs), whereas in the AIHW's Health expenditure Australia report, expenditure for all medicines provided under section 100 is included. For this reason, the total expenditure estimate for section 100 in this table is lower than that reported in the Health expenditure Australia report.

(g) 'Other PBS special supply' includes all benefit-paid pharmaceuticals programs funded by the Australian Department of Health but not categorised as either mainstream PBS or Section 100.

Source: AIHW health expenditure database.

Pharmaceuticals overview

This report presents estimated health expenditure for Indigenous and non-Indigenous Australians from 2010-11 to 2016-17. This report is a companion piece to the health expenditure-related information reported in the [Aboriginal and Torres Strait Islander Health Performance Framework 2020](#). The total health expenditure per person for Indigenous Australians was 1.3 times that of non-Indigenous Australians in 2015-16.

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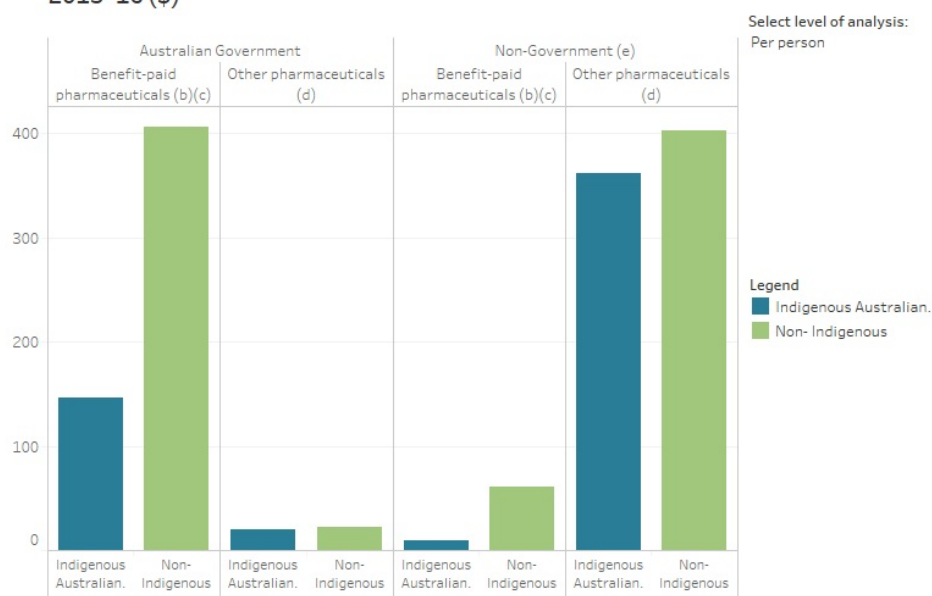
In 2015-16, the total expenditure on pharmaceuticals in Australia for Indigenous Australians was \$420 million, which was an average of \$537 per person. For non-Indigenous Australians, the average expenditure was \$891 per person.

The interactive figure shows Australian Government and Non-Government expenditure on Pharmaceutical Benefits Scheme (PBS) for Indigenous and non-Indigenous Australians in 2015-16.

Viz 6. Directly administered expenditure (a) by the Australian Government, non-government organisations and individuals on the Pharmaceutical Benefit Scheme and related expenditure, by Indigenous status, current prices, 2015-16 (\$)

The bar chart shows that the expenditure per person by the Australian Government, through the PBS and the Repatriation Pharmaceutical Benefits Scheme (RPBS) for Indigenous Australian was \$146 compared with \$406 for non-Indigenous Australians in 2015-16.

Directly administered expenditure(a) by the Australian Government, non-government organisations and individuals on the Pharmaceutical Benefit Scheme (PBS) and related expenditure, by Indigenous status, current prices, 2015-16 (\$)



(a) Excludes expenditure on goods and services that were directly administered by state and territory governments.

(b) Includes the Repatriation Pharmaceutical Benefits Scheme (RPBS) and Australian Government (other than the Departments of Health and Veterans' Affairs) expenditure related to benefit-paid pharmaceuticals.

(c) Benefit-paid pharmaceuticals includes section 100 Remote Area Aboriginal Health Services (RAAHS).

(d) Other pharmaceuticals and related expenditure includes under-copayment drugs, private scripts, over the counter medications and other scheme expenditures.

(e) Non-Government includes individuals, private health insurance providers, workers' compensation and third party vehicle insurers.

Source: AIHW Health Expenditure database.



Data

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Related material

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