

## Health expenditure



Figure 1: Health expenditure per capita, 1997



Figure 2: Health expenditure as a proportion of GDP, 1997

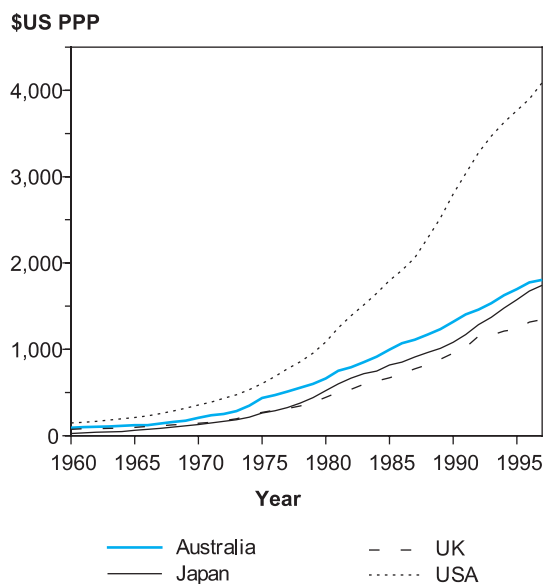


Figure 3: Trends in health expenditure per capita, 1960 to 1997

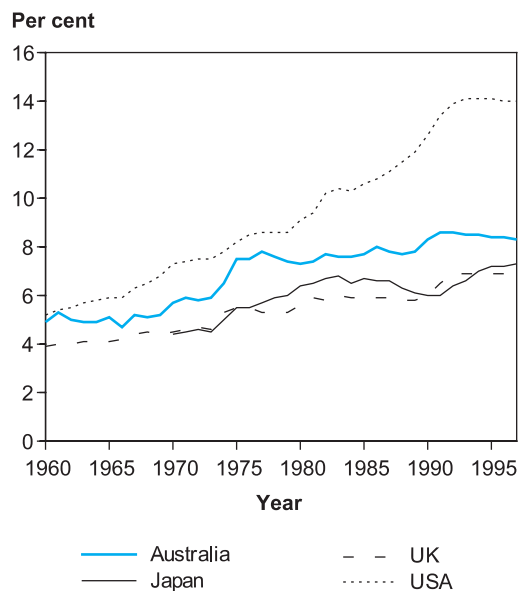


Figure 4: Trends in health expenditure as a proportion of GDP, 1960 to 1997

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### Health expenditure indicators, 1997

Country	Health expenditure (billion US\$ PPP) <sup>(a)</sup>	Amount per capita (US\$ PPP)	Proportion of GDP (per cent)	Public contribution (per cent)
Australia <sup>(b)</sup>	32.2	1,750	8.4	68.7
Canada	63.3	2,095	9.3	68.7
Denmark	9.7	1,848	7.7	65.0
France	123.2	2,103	9.9	78.4
Germany	192.2	2,339	10.4	77.4
Greece	10.2	974	7.1	74.8
Hong Kong	—	—	—	—
Ireland	4.8	1,324	7.0	75.0
Israel	—	—	8.4	44.0
Italy	91.3	1,589	7.6	69.9
Japan	219.6	1,741	7.3	77.4
Netherlands	28.5	1,825	8.5	72.0
New Zealand	5.0	1,352	7.6	77.4
Norway	8.5	1,814	7.4	82.2
Singapore	—	—	—	—
Spain	46.4	1,168	7.4	78.7
Sweden	15.3	1,728	8.6	83.3
Switzerland	18.2	2,547	10.2	69.9
UK	79.2	1,347	6.7	84.5
USA	1,095.1	4,090	14.0	46.7

(a) Purchasing power parities (PPP) are used here to convert health expenditure. PPPs show the rate at which a given amount of one currency can be converted into the other in order to purchase the same quantity of a particular item in both countries (OECD 1998).

(b) Australian data is for 1996–97.

Sources: OECD 1998; Israel CBS 1996.

- Expenditure on health care comprises a significant proportion of government budgets in developed countries, and provides some indication of the priority placed by a society on health and health care. The provision of health care services is also an important industry that in itself contributes to national production.
- A number of factors combine to make international comparisons of health expenditure problematic, most notably the lack of standard definitions and data.
- In 1996–97, Australia spent US\$32.2 billion on health services, or US\$1,750 per person. The amount spent was 8.4% of Australia's gross domestic product (GDP). Almost 69% of this amount was government expenditure, the rest being sourced from the private sector. This is in contrast to expenditure in the United States and Israel, where less than half of the total health expenditure was publicly funded in 1997.
- Australian spending per capita and as a proportion of GDP ranks towards the middle for the developed countries which have data available (Figures 1 and 2). The United States spends more on health services than any other country, both in absolute dollar terms, and as a proportion of GDP—exceeding the next highest country by more than US\$1,000 per

capita and 3.6% of GDP (Figures 1 and 2). Expenditure per capita in the United States has increased six-fold in the 20 years between 1975 and 1995 (Figure 3).

- Since the mid-1970s, health expenditure as a proportion of GDP has stabilised in many developed countries—including Australia, Japan and the United Kingdom—due largely to government control of public sector health expenditure (Figure 4). However, in the United States, the proportion of GDP spent on health has only recently begun to plateau.

#### For more information, see:

OECD 1990. Health care systems in transition—the search for efficiency. OECD Social Policy Studies No. 7. Paris: OECD.  
 AIHW 1996. Health expenditure bulletin, No. 12. Canberra: AIHW.