

AIHW report: Healthcare costs rising

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Singapore: The Australian Institute of Health and Welfare (AIHW) has presented a report that showed that though health costs are on the rise, the share of Commonwealth's total bill is decreasing.

The AIHW said that while the federal government still provides majority of health funding, its overall share is going down.

The report said that the contribution of Commonwealth dropped from 44 percent in 2001-02 to 42.4 percent in 2011-2012, while the contribution of the states grew from 23.2 percent to 27.3 percent over the same period.

The report that was released last week provided a good breakup over the proportion of total revenue spent on health and how it is increasing for the States, and decreasing for the Commonwealth.

The report showed that health spending made up 26 percent of government revenue in 2011-2012 or six percentage points higher than before the Global Financial Crisis.

The report is set to fuel the debate between the States and the Commonwealth over the decision taken by the Australian government to abandon Labor's commitment for the Commonwealth to spend a good amount of money to bear public hospital costs, and also the decision to introduce a \$7 co-payment for basic Medicare services.

AIHW director and CEO Mr David Kalisch said that health costs are rising in Australia, just like other developed nations.

"They have risen faster than inflation and the economy as a whole for many years, and in recent years have outpaced government revenues from taxation and other sources," Mr Kalisch said.