

1: Introduction

States and territories welcome open and transparent analysis about the performance of the health system. We are committed to continual improvements in the health system so that it is capable of dealing with the challenges of chronic disease and population ageing.

To meet this goal, governments need to work together, each playing their part, each being transparent and accountable about the performance of the system as a whole.

The Australian health system involves a lot of people – about 230,000 nurses, 70,000 nursing assistants, 60,000 doctors, 23,000 dental assistants, 15,000 pharmacists, 14,000 physiotherapists, 9,000 dentists, 9,000 health service managers, 8,000 occupational therapists and 2,000 podiatrists, as well as others.

Some of these people work for themselves. Others work with colleagues. Some work in the public sector. Others work in the private sector. Some work to prevent health problems arising. Others deal with them once they are there. Some manage patients. Others manage services.

There are public hospitals, private hospitals, community health services, specialised health clinics and private practices.

There are programs aimed to reach everybody, like Medicare and the Pharmaceutical Benefits Scheme. There are programs aimed to reach those with special needs, such as palliative care services, dementia services and HIV services.

The Australian health system is complex. Its funding is complex too. But in very simple terms, the funding of the Australian Government's component works like this.

The Australian government collects money from Australians through individual taxation, business taxation, the goods and services tax and the Medicare levy.

It gives the state and territory governments a certain amount of money each year for health care – some of it in general funding and some of it tied to particular areas, such as public hospitals.

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The Australian Government also spends a significant amount of money on the health system, although it does not provide any services itself. It subsidises your (mainly out-of-hospital) visits to doctors through the Medicare Benefits Schedule. It subsidises a range of medicines through the Pharmaceutical Benefits Scheme. It subsidises the cost of aged care through paying some of the cost of nursing home beds and community services. It subsidises the cost of private health insurance through a rebate scheme.

The rest of this document examines the parts of the system that are funded by the Australian Government – parts of the system where information held by the Australian Government is routinely kept secret. It asks two basic questions. How is the system performing? And are all Australians getting the benefits?