Reference No. 51

Summarising: Gray, Hunter & Taylor (2002), *Health Expenditure, Income and Health Status Among Indigenous and Other Australians*
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
Health Expenditure, Income and Health Status Among Indigenous and Other Australians

Research Publication:
CAEPR Research Monograph No. 21 2002

Name of Researcher(s):
M. C. Gray, B.H. Hunter and J. Taylor

Time period:
1995

Geographic location:
Non-sparsely occupied Australia

Methodology:
This report presents an analysis of per-capita health expenditure by income for Indigenous and non-Indigenous Australians based on the utilisation of a range of health services, using information from the 1995 National Health Survey (NHS). Respondents living in sparsely populated areas of Australia were excluded due to their general lack of language skills and hence potential for providing poor quality data. The report also analyses the relationship between income levels and reported health status.

Aims:
The purpose of this report was to examine the relationship between income and expenditure on health as well as between income and perceived health status, among Indigenous and non-Indigenous Australians.

Selected findings and insights:
The findings from this study are based upon data obtained from the 1995 NHS. Despite these data being not recent, they provide important baseline information on which to examine the impact of recent health policies. The report’s findings also identify important health issues and policy considerations that are still just as relevant some 12 years after the 1995 NHS. The report notes difficulties associated with data quality and warns that this may influence the extent to which the research findings can be validated.

*Per capita health expenditure*

*Per capita health expenditure* on Indigenous people living in non-sparsely settled areas was estimated to be $2734 in 1995. This was some $500 higher than the estimate of $2277 for non-Indigenous people. However this was not a statistically significant difference. If spending on hospitalisation was excluded due to unreliability of data, then:

- Indigenous per capita expenditure was significantly lower ($930 compared with $1351).
Income level and health expenditure

As found in other Western countries, non-Indigenous health expenditure was significantly higher for low-income or poorer families. In contrast,

- **no significant relationship** between income and per capita health expenditure was found for Indigenous people.

Use of health services

Indigenous people were found to use health services much less than other Australians despite experiencing higher rates of morbidity and mortality. While cultural factors may impinge on health service utilisation, the extent to which these may contribute to this result remains poorly understood.

- While Indigenous people were more likely to report being in poor or fair health than other Australians for each income group, more striking was the lack of significant difference in self-reported health status between low and high-income Indigenous families.

The report identifies several possible explanations for the lack of a relationship between income levels and perceived health status:

- The current generation of Indigenous Australians often experienced malnutrition at birth with possible repercussions on health in adulthood and/or had extremely negative social experiences such as family dissolution or forced migration off country. In this regard the report points out that little is known about the **social precedents of Indigenous morbidity and mortality**, including effects of family, household and community; and

- The high degree of **social exclusion** from the mainstream of Australian life may influence health status – that is, a lack of connectedness with mainstream Australian society may not only have social consequences but could have health consequences as well.

Educational implications:

The determinants of Indigenous health remain a priority. The report raises not only service delivery issues but also social and cultural factors which may influence Indigenous health. Further work needs to be undertaken to examine the extent to which such factors can be ameliorated through education and training. For example, education and training may be required to address access to health services but such programs may involve cultural or social aspects rather than having solely a health or medical focus.

Relevance:

**Introductory Topic: The Health of Indigenous Australians**

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