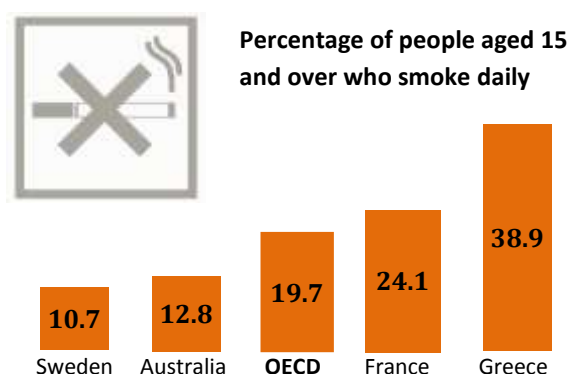


The Australian health system is a complex mix of federal and state government funding and responsibility, making it difficult for patients to navigate. Despite its complexity, Australia's universal health system achieves good results relatively efficiently. Health expenditure in Australia is about the same as the OECD average, at 8.8% of GDP. Life expectancy at birth is the sixth highest in the OECD, at 82.2 years. To meet the challenge of rising chronic disease, Australia should reduce health system fragmentation to improve the co-ordination of patient care.

Australia's preventive health efforts have achieved mixed results

▶ Through a range of public health initiatives, Australia has achieved one of the lowest smoking rates in the world

Australia has been at the forefront of world efforts to reduce the health and social consequences of tobacco consumption. Policies and programmes include the world's first tobacco plain packaging legislation, which other countries are emulating. Other approaches include regularly increasing tobacco prices through taxation, and a series of smoking bans across the country. Some states are moving toward the prohibition of smoking in outdoor dining areas.



To read more about our work:

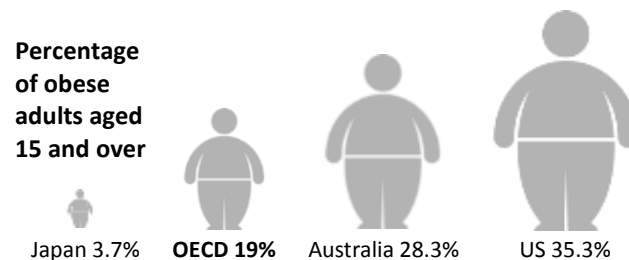
[Health at a Glance 2015](#)

[Obesity and the Economics of Prevention: Fit not Fat](#)

[Tackling Harmful Alcohol Use: Economics and Public Health Policy](#)

▶ By contrast, Australia has one of the most obese populations in the OECD

Australia has the fifth most obese population aged 15 and over in the OECD. Only the United States, Mexico, New Zealand and Hungary have a higher proportion of obese adults. The rise in adult obesity in Australia in the past decade – from 19.8% in 2000 to 28.3% in 2011 – should be treated as a public health priority. Obesity is associated with preventable conditions such as type 2 diabetes and other chronic disease.



» What can be done?

- Deliver health promotion messages about healthy diet and physical activity through the mass media and in schools.
- Provide fiscal incentives, such as increasing the price of food with high fat or sugar content.
- Limit children's exposure to fast food advertising.
- Provide comprehensive information on food labels to help consumers make informed choices.
- Encourage primary care physicians to counsel at-risk patients about making healthy lifestyle choices.

Australia's health system features a complex governance structure

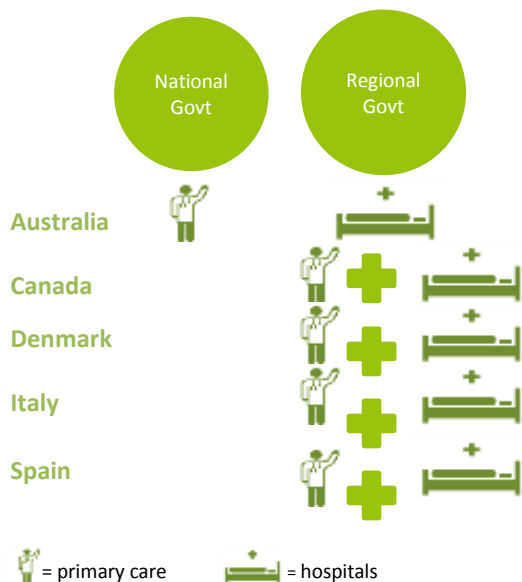
▶ The Australian health care system is a complex mix of federal and state government funding and responsibility, interspersed with services delivered through the public and private sectors

This complex split of federal and state and territory funding and responsibilities can make it difficult for patients to navigate. The health system can broadly be characterised as one in which public hospitals are jointly funded by federal and state and territory governments, and are managed by the states and territories. The states are the hospital system managers, while the federal government retains lead responsibility for primary health care. Private hospitals are subject to a combination of federal and state requirements. The states are responsible for licensing private hospitals, while the federal government regulates private health insurance.

This complexity presents challenges in providing integrated pathways for the ongoing care of people with long-term chronic conditions, often requiring co-ordinated access to services across primary, community and acute care sectors.

Structural reform would help promote more integrated care

► The structure of some other OECD health systems suggests health services can be aligned to promote integrated care for patients with chronic disease receiving care from multiple providers



» What can be done?

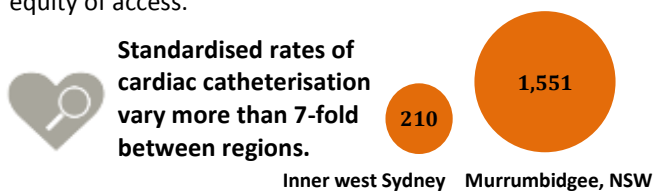
- Promote more integrated care by bringing responsibility for acute and primary care together at one level of government, for example, by devolving primary care to the states and territories.
- Implement a uniform electronic health record system to improve the transfer of information between health care services.
- Promote “medical home” style primary health care centres, featuring multidisciplinary teams.
- Create a primary health care eco-system around general practitioners, and promote their role as the care co-ordinators for patients with chronic disease.
- Provide financial incentives for doctors to provide integrated care, improve the quality and outcomes of health care, and to engage more in preventive health care.

To read more about our work:
[OECD Reviews of Health Care Quality: Australia 2015](#)

Appropriate clinical practice can reduce variation in health care

► For certain procedures such as knee arthroscopy and cardiac catheterisation, there is considerable geographical variation in health care in Australia

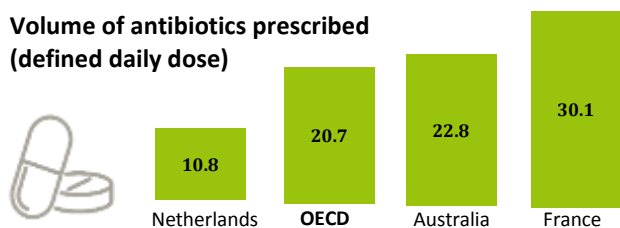
Variation may indicate unmet need, or oversupply of care. It raises questions about efficiency, value for money and equity of access.



► Australian GPs prescribe more antibiotics than GPs in most other OECD countries

There is an observed link between the volume of antimicrobials provided and bacterial resistance. Inappropriate prescribing may indicate problems with appropriateness of care.

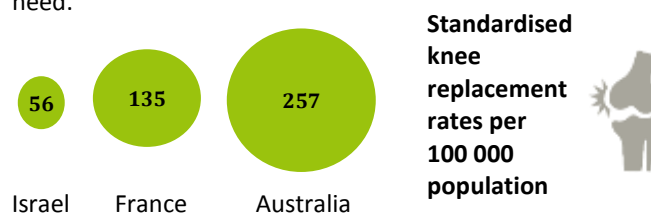
Volume of antibiotics prescribed (defined daily dose)



To read more about our work:
[Geographic Variations in Health Care: What Do We Know and What Can Be Done to Improve Health System Performance?](#)

► Australia has high rates of surgical interventions, such as knee replacement, compared with other OECD countries

High comparative rates may suggest that interventions are determined by factors other than clinical need and patient preferences, although it is difficult to verify this without better information on patient outcomes and population need.



» What can be done?

- Continue to monitor health care variation and raise awareness through public reporting.
- Collect and report data on outcomes of care.
- Inform practitioners about their practice patterns compared with their peers.
- Ensure patients are engaged in shared decision making about their treatment.
- Support practitioners with decision tools and clinical guidelines.
- Promote the *Choosing Wisely* campaign.
- Implement complementary payment mechanisms.