

MEDIA RELEASE

January 30, 2014

Reduce health waste, but stop ignoring social determinants

The kneejerk reaction to today's release of the *Report on Government Services 2014 Volume E: Health* is to lament the ballooning cost of health care in Australia. But an alliance of organisations fighting for health equity says a more sensible approach is to examine how inaction on the social factors that affect health is a major cause of those increasing costs.

Today's report from the Productivity Commission finds that the total cost of delivery of health services (recurrent and capital) was estimated to be \$140.2 billion in 2011-12, or 9.5 per cent of gross domestic product. Just nine years earlier, health spending accounted for just 7.8 per cent of GDP.

Federal Health Minister Peter Dutton has understandably called for efforts to reduce waste within the health system in order to rein in these costs. But the Social Determinants of Health Alliance (SDOHA), representing 60 health, social service, public policy and academic groups around the country, says that approach could be too narrowly focussed.

"As well as trying to identify efficiencies to curb expenditure growth – where we have federal government spending on health growing at an average of 4.9 per cent a year and state government spending growing at 6.8 per cent a year – the government would do well to also look at the role of social determinants of health as cost drivers," said SDOHA chair Martin Lavery.

"The role the determinants of health play in poor child and adult health outcomes is not disputed. The cost of these determinants on the health system, however, does not sit solely within a health context.

"A whole-of-government approach to health would help to identify factors that can influence health, and thereby cost to the health system."

Mr Lavery said the evidence-based recommendations from the World Health Organisation's Commission on the Social Determinants of Health Report have reaped benefits around the world, but don't seem to be able to find their way to Australia's shores.

Research by the National Centre for Social and Economic Modelling demonstrated that if action were taken on the causes of health disparities and those in the lowest socioeconomic quintile were able to enjoy the health status of the median group, 60,000 hospital admissions annually could be avoided at total savings of \$2.3 billion.

"It's now more than 300 days since a tri-partisan Senate Inquiry called for Parliament's adoption of the WHO Commission's three key recommendations for action on health inequity, but we keep waiting and waiting. There's not been a peep out of anyone at Parliament House.

"Will 2014 be the year our leaders draw a line in the sand and say health inequities are unacceptable? We live in hope," Mr Lavery concluded.