

MEDIA RELEASE

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Push for health equity could save \$735 million in NSW

Almost 20,000 hospital admissions could be avoided in New South Wales and as much as \$735 million saved from the NSW health budget if efforts to address health inequity in the state were taken seriously, state Government officials will be told at a Department of Premier and Cabinet meeting in Dubbo today.

Social Determinants of Health Alliance (SDoHA) chair Martin Laverty said a report carried out by the National Centre for Social and Economic Modelling (NATSEM) proved grim reading for those who want to see a levelling of the health playing field.

“That research shows us that nationally, there could be tens of thousands fewer hospital admissions annually, saving more than \$2.3 billion, if governments around the country were to adopt the recommendations of the 2008 World Health Organisation (WHO) report *Closing the gap in a generation*,” he explained.

“In New South Wales alone, \$735 million could be saved in the health budget each year when you think about the cost of unnecessary hospital admissions, not to mention the increased revenue from having more people in the workforce – rather than in hospital or sick at home – and the huge social benefits of a healthier community.”

Mr Laverty said findings from the 2012 NATSEM report suggest that if the New South Wales Government were to implement the three key recommendations of the *Closing the gap in a generation* report, the following outcomes could be achieved:

- 160,000 NSW residents could avoid suffering a chronic illness;
- 54,000 extra NSW residents could enter the workforce, generating \$2.5 billion in extra earnings;
- 19,200 fewer people would need to be admitted to hospital annually, resulting in savings of \$736 million in hospital expenditure.

The Social Determinants of Health Alliance (SDoHA), representing more than 50 health, social service and public policy organisations, was launched in February and is calling for meaningful action on the social determinants of health around the country, starting with the implementation of the WHO’s recommendations.

Mr Laverty said it is encouraging to see senior leaders of the New South Wales Government taking the social determinants of health agenda seriously with today’s meeting, but he said it is important for the discussion to lead to a change in the way policies are devised and implemented.

“We have seen internationally – and within Australia to a lesser extent – a lot of talk about the need to address health inequity but not as much tangible action to bring about real change,” Mr Laverty said.

“This forum must be used as a springboard for New South Wales. The WHO plan was put forward in 2008. A Senate Inquiry this year called on Australia to implement that plan, but the previous and current Federal Governments have not acted. For New South Wales to achieve these possible health gains, it needs to put pressure on COAG for Canberra to adopt that WHO plan.”