



Estimating the Health Gap



EQUITY ECONOMICS



NACCHO

\$7,365 per year

Current health expenditure per capita for non-Indigenous Australians

× 2.03

Aboriginal and Torres Strait Islander people experience disease burden at 2.3 times the rate of non-Indigenous Australians, which translates into 2.03 times the cost-of-service delivery for non-Indigenous Australians

Conservatively estimating the need for two times the expenditure to take account of this greater prevalence of disease

\$14,967

(2.03 × \$7,365)

Health spending for Aboriginal and Torres Strait Islander people should be in the order of \$14,967 per person per year (2.03 × \$7,365)

\$9,925

per capita

But current expenditure per capita for Aboriginal and Torres Strait Islander people is \$9,925

\$5,042 gap

(\$14,967 – \$9,925)

The gap in expenditure to achieve equitable spending based on need is \$5,042 per person per year (\$14,967 – \$9,925)

863,576

There are an estimated 863,576 Aboriginal and Torres Strait Islander people in Australia, based on latest ABS projections.

\$5,042 × 863,576 = \$4.4 billion

Therefore, the additional expenditure required to achieve equitable health spending based on need for Aboriginal and Torres Strait Islander people is approximately \$4.4 billion per year (\$5,042 per person per year × 863,576)

It should be noted that the above figures are based on expenditure by all governments and private expenditure. The same calculation based just on Commonwealth Government gives a shortfall of **\$2.6 billion**



EQUITY ECONOMICS



NACCHO

The life expectancy gap is not the only shocking indicator. Other statistics show that the gap in Aboriginal and Torres Strait Islanders health is profound. Aboriginal and Torres Strait Islander people are:



more likely to die from **rheumatic heart disease** as youths



more likely to **smoke during pregnancy**



more likely to have **kidney disease**



more likely to have **diabetes**



more likely to **suecide as youths**



more likely to die in **infancy**



more likely to be born with **low birthweight**



more likely to die from **cancer**



more likely to have a **disability**



more likely to have **circulatory disease**