



**Submission to**

**Senate Select Committee on Health**

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**Contact**

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The Australian Health Promotion Association (AHPA) welcomes the opportunity to contribute to the work of the Senate’s Select Committee on Health, established to inquire into and report on health policy, administration and expenditure following the 2014-15 Federal Budget.

Ideally AHPA would like to have addressed all items on the Senate’s terms-of reference but given limited capacity we have focused attention on item b) access to affordable healthcare and the sustainability of Medicare, and more closely on item c) the impact of reduced Commonwealth funding for health promotion, prevention and early intervention.

## About AHPA

AHPA is the peak body for health promotion professionals in Australia. It is a member based association that contributes to discussion, professional development, debate and decision-making on health promotion and population health advocacy, policy and programs at National, State and Territory levels. AHPA has more than 1000 members with diverse disciplinary backgrounds drawn from a variety of government departments and agencies, universities, non-Government organisations, industry, and community-based organisations.

AHPA’s underlying values include social justice and equity. AHPA acknowledges that health is complex and affected by a number of interrelated factors including biological makeup and individual behaviours but more importantly economic and social determinants – factors in our living and working conditions that are determined socially and affect our health throughout life. Political and economic policies that determine, for example, wages, employment and working conditions, affordability of housing, transport, child care, preschool, education opportunities, affordable health care, social inclusion create conditions that influence whether Australians are healthy or not. They influence who benefits and who doesn’t. Poor health affects not only the quality of life of individuals and communities, but also the social and economic wellbeing of the Nation.

## About Health Promotion

“Health promotion is the process of enabling people to increase control over the determinants of health and thereby improve their health” (from the World Health Organisation Ottawa Charter 1986). Health promotion not only embraces actions directed at strengthening the skills and capabilities of individuals but also actions directed towards changing social, environmental, political and economic conditions to alleviate their impact on populations and individual health.

## Key Recommendations

The key point we would like to make is that without concerted efforts in health promotion and disease prevention – including action on the social determinants of health – the rising health care costs will not be addressed. AHPA believes that policies and programs designed to promote health and prevent illness are critical. We would argue the need for Australia to invest considerably more than the current rate of less than 2% of the health budget to prevention.

Below AHPA has focused attention on the Select Committee’s Terms-of-Reference b. and c.

## B. The impact of additional costs on access to affordable healthcare and the sustainability of Medicare

- The 2014 -15 Budget delivered cuts that have severely reduced preventive health and health promotion programs and threaten to undermine Medicare, Australia's universal health insurance system.
- From July 2015 the government hopes to introduce a \$7 co-contribution payment for GP consultations and out- of -hospital pathology and X-rays.
- This has been widely and loudly condemned by experts and the general public alike (see for example: ABC<sup>1</sup>, ACOSS<sup>2</sup>, AHPA<sup>3</sup>, AMA<sup>4</sup>, Croakey<sup>5</sup>, PHAA<sup>6</sup>). Out of pocket costs in Australia are already relatively high by world standards.<sup>7</sup> There is concern that increasing them further will reduce necessary use of GP visits for screening and immunisation for example, and be an unfair burden on people with lower incomes who also tend to be in poorer health and are most likely to put off visits to the GP because of costs.<sup>8</sup>
- A major concern of the 2014-15 budget decisions is that budget savings will be made, but off the 'back of the poorest and most vulnerable' who will also miss out on care. The sweeping cuts will punish those in our community who are already struggling to make ends meet, leaving them doing a disproportionate share of the 'heavy lifting'. The weight will be placed on those who have the least income and are the most vulnerable.<sup>9</sup> Surveys from the Australian Bureau of Statistics show people are already deferring care because of high out-of-pocket costs and that access to care for people in rural and remote Australia is much worse than in metropolitan areas, causing problems not only in terms of health status but also in increased cost of care<sup>10</sup>. Moving toward a user pays system akin to the American health system puts us on a road to high costs, poor health outcomes and social disintegration.<sup>11</sup>
- The insidious destruction of Medicare is far too high a price to pay for short term gain. Universal access to health care is too important and highly valued by the Australian population. A universal health system... *"is the single most powerful concept that public health has to offer. It is inclusive. It unifies services and delivers them in a comprehensive and integrated way, based on primary health care."*<sup>12</sup>

<sup>1</sup> ABC. [www.abc.net.au/radionational/programs/lifematters/put-the-cupcake-down3a-cuts-to-preventative-health-funding/5453168](http://www.abc.net.au/radionational/programs/lifematters/put-the-cupcake-down3a-cuts-to-preventative-health-funding/5453168)

<sup>2</sup> Australian Council of Social Service. [http://www.acoss.org.au/media/release/budget\\_divides\\_the\\_nation\\_young\\_and\\_old\\_rich\\_and\\_poor\\_acoss](http://www.acoss.org.au/media/release/budget_divides_the_nation_young_and_old_rich_and_poor_acoss)

<sup>3</sup> AHPA. <http://www.healthpromotion.org.au/images/stories/AHPABudgetCommentaryforMembers.pdf>

<sup>4</sup> AMA. <https://ama.com.au/media/memo-senate-crossbenchers-ama-does-not-support-governments-gp-co-payment-model>

<sup>5</sup> Croakey. Federal budget 2014: health experts react <https://theconversation.com/federal-budget-2014-health-experts-26577>

<sup>6</sup> PHAA SA Branch. [http://www.phaa.net.au/documents/140513\\_FINAL%20Killer%20Budgetkicking%20people%20when%20they're%20down.pdf](http://www.phaa.net.au/documents/140513_FINAL%20Killer%20Budgetkicking%20people%20when%20they're%20down.pdf)

<sup>7</sup> Stephen Duckett and Peter Breadon [http://grattan.edu.au/wp-content/uploads/2014/07/Grattan\\_Institute\\_submission\\_-\\_inquiry\\_on\\_out-of-pocket\\_costs\\_-\\_FINAL.pdf](http://grattan.edu.au/wp-content/uploads/2014/07/Grattan_Institute_submission_-_inquiry_on_out-of-pocket_costs_-_FINAL.pdf)

<sup>8</sup> <http://theconversation.com/federal-budget-2014-health-experts-26577>

<sup>9</sup> Wilson A. 2014. Budget cuts risk halting Australia's progress in preventing chronic disease Med J Aust; 200 (10): 558 559.

[https://www.mja.com.au/journal/2014/200/10/budget-cuts-risk-halting-australias-progress-preventing-chronic-disease?0=ip\\_login\\_no\\_cache%3Db21ad9cc231786ea526d4a5178378128](https://www.mja.com.au/journal/2014/200/10/budget-cuts-risk-halting-australias-progress-preventing-chronic-disease?0=ip_login_no_cache%3Db21ad9cc231786ea526d4a5178378128)

<sup>10</sup> Prof Stephen Duckett <http://theconversation.com/federal-budget-2014-health-experts-26577>

<sup>11</sup> Atul Gawande The Cost Conundrum What a Texas town can teach us about health care The New Yorker June2009 <http://www.newyorker.com/magazine/2009/06/01/the-cost-conundrum>

<sup>12</sup> Dr Margaret Chan, WHO Director-General [http://www.who.int/universal\\_health\\_coverage/en](http://www.who.int/universal_health_coverage/en)

- Australia still has one of the highest levels of life expectancy in the world. This is in no small way due to the gains that have been made over the last century and because of Australia's universal health care system. While this is true, we also acknowledge Australia has unacceptable disparities between Indigenous and non-Indigenous health outcomes, with the average life expectancy of our indigenous populations around ten years shorter than non-Indigenous Australians. Closing the gap between indigenous and non-indigenous health outcomes is possible but it will take time and resources. For example, reductions in smoking rates among some Indigenous populations have been hard-won.<sup>13</sup> Studies have shown that there is benefit in making access to medications and other care easier, not harder. For example there have been successes in making medications free for disadvantaged Indigenous patients.<sup>14</sup> Poorer Australians also have worse health outcomes. Studies from the US showed that there were benefits for the lowest income earners after the introduction of the Massachusetts 2006 health care reforms were introduced. We need to retain, maintain, defend and extend Medicare.
- AHPA vehemently opposes the introduction of a \$7 co-payment for GP visits, out-of-hospital pathology and diagnostic imaging services. AHPA is in full agreement with the PHAA's statement that it is '... a regressive measure that will invariably create barriers to accessing primary care for disadvantaged Australians and ultimately lead to larger burdens on hospitals.'<sup>15</sup>

### **Recommendations**

That the government:

- Reject outright the Budget proposal to introduce a \$7 co-payment for GP visits, out-of-hospital pathology and diagnostic imaging services.
- Re-commit to the principle of universalism within the health system and do not introduce more co-payments in healthcare and other primary health services to ensure accessible health services are available for all Australians regardless of their ability to pay.

## **C. The impact of reduced Commonwealth funding for health promotion, prevention and early intervention**

- Australians value health. Investment is required to enable all Australians to be healthy, connected to their communities, educated, employed and free from preventable chronic conditions.<sup>16</sup>
- The abrupt cessation of the National Partnership Agreement on Preventive Health (NPAPH)<sup>17</sup> by the Federal Government without justification has had a significant impact on health promotion.
- Health promotion and prevention is effective – it works. This is evidenced by Australia's achievements in relation to tobacco, road safety, HIV and many more.<sup>18, 19</sup> But, it takes time and

<sup>13</sup> Time for a re-think on Budget Cuts to Aboriginal and Torres Strait Islander Anti-smoking Programs  
<https://antar.org.au/sites/default/files/244r1722.pdf>

<sup>14</sup> Swannell C. Health budget needs a scalpel. 2014. MJA InSight. <https://www.mja.com.au/insight/2014/16/health-budget-needs-scalpel>

<sup>15</sup> Public Health Assoc of Australia. Killer Budget: kicking people when they're down. PHAA Media release 13 May 2014 [www.phaa.net.au](http://www.phaa.net.au)

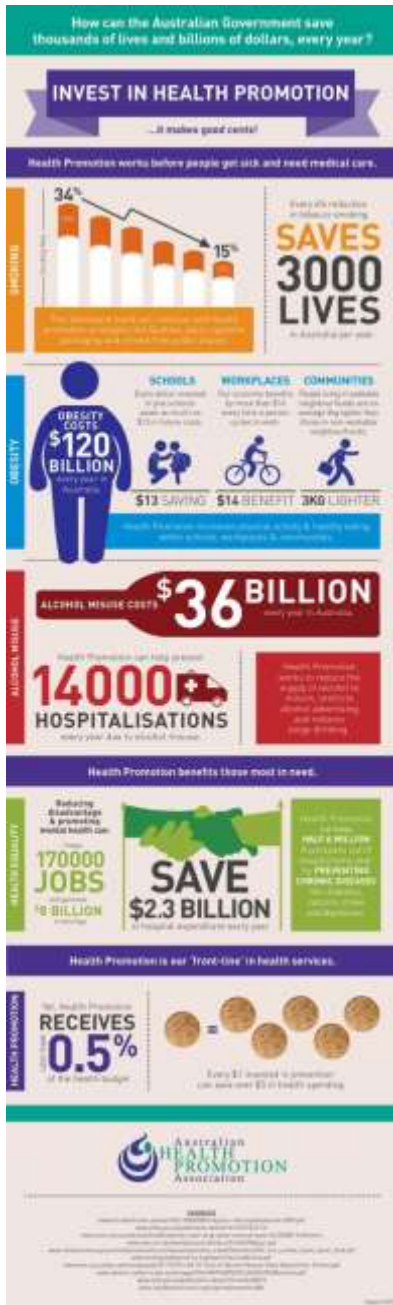
<sup>16</sup> World Health Organisation, Social Determinants of Health: [www.who.int/social\\_determinants/en/](http://www.who.int/social_determinants/en/)

<sup>17</sup> NPAPH <http://www.anpha.gov.au/internet/anpha/publishing.nsf/Content/npaph>

<sup>18</sup> Applied Economics. 2003. Returns on investment in public health: An epidemiological and economic analysis prepared for the Department of Health and Ageing'

<sup>19</sup> University of Queensland and Deakin University. 2010. *Assessing Cost-Effectiveness in Prevention (ACE Prevention)*  
[http://www.sph.uq.edu.au/docs/BODCE/ACE-P/ACE-Prevention\\_final\\_report.pdf](http://www.sph.uq.edu.au/docs/BODCE/ACE-P/ACE-Prevention_final_report.pdf)

needs leadership, partnerships and funding. AHPA supports the need for Australia to invest considerably more than the current rate of less than 2% of the health budget to health promotion and prevention. This amount is disproportionate and unacceptable by world standards.<sup>20</sup> Indeed Governmental commitment to prevention across Australia - including the States and Territories - in 2012 stood at 1.9% of the health budgets,<sup>21</sup> much of which is dedicated to screening and immunisation programs. This is down from the 2010 figure of 2.2%.<sup>22</sup>



- To reverse the trend of rising rates of chronic diseases, further investment is needed which will bring substantial benefits in terms of both health and costs in years ahead. There are also opportunities for raising revenue of over \$2 billion per annum through a suite of reforms including taxation on junk food, alcohol and tobacco. There is evidence from Europe that cuts to prevention measures have seen rates of HIV, TB, suicide and infant deaths rise exponentially – demonstrating the unintended impacts and false economy of funding cuts in those countries.<sup>23</sup>
- Treating sick people costs money. It costs more than keeping people well.<sup>24</sup> Investment in health promotion and public health has considerable return on investment. AHPA's infographic, *How can the Australian Government save thousands of lives and billions of dollars every year*,<sup>25</sup> illustrates that spending on health promotion and prevention makes good economic sense. With more spending on prevention initiatives in, for example, the areas of alcohol, obesity and tobacco use the community would be healthier and health bills around non-communicable disease would be reduced. For example, in relation to alcohol, the reduction of alcohol supply to minors, advertising restrictions and behaviour change targeting binge drinking can prevent 14000 unnecessary hospitalizations for alcohol misuse annually. Obesity costs Australia 120 billion dollars annually, yet people who live in a walkable neighbourhood are on average 3kg lighter than those who cannot walk to school, work or around their community and every time someone rides to work – the economy benefits by more than \$14.
- This is not just the experience in Australia, see also for example
  - the Canadian Public Health Association: [http://www.youtube.com/watch?v=TVZxtuZhN\\_M](http://www.youtube.com/watch?v=TVZxtuZhN_M) and the
  - the American Public Health Association: <http://www.publichealthnewswire.org/?p=7079>

<sup>20</sup> Australian Institute of Health & Welfare, *Australia's Health 2010*: <http://www.aihw.gov.au/publications/index.cfm/title/11374>

<sup>21</sup> Australian Institute of Health & Welfare, *Australia's Health 2012*: <http://www.aihw.gov.au/australias-health/2012/>

<sup>22</sup> Australian Institute of Health & Welfare, *Australia's Health 2010*: <http://www.aihw.gov.au/publications/index.cfm/title/11374>

<sup>23</sup> David Stuckler D, Basu S, McKee M. Budget crises, health, and social welfare programmes. *BMJ* 2010; 340:c3311.

<http://www.bmj.com/content/340/bmj.c3311>

<sup>24</sup> World Health Organisation, 1997, Declaration of Alma Ata:

[http://www.dhhs.tas.gov.au/\\_data/assets/pdf\\_file/0010/75745/Health\\_Promotion\\_Web\\_Resources-\\_update\\_Feb\\_2011.pdf](http://www.dhhs.tas.gov.au/_data/assets/pdf_file/0010/75745/Health_Promotion_Web_Resources-_update_Feb_2011.pdf)

[http://www.health.gov.au/internet/main/publishing.nsf/Content/19B2B27E06797B79CA256F190004503C/\\$File/roi\\_eea.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/19B2B27E06797B79CA256F190004503C/$File/roi_eea.pdf)

<sup>25</sup> AHPA <http://www.nslhd.health.nsw.gov.au/HealthInformation/HealthPromotion/Documents/AHPAInfographicSep13.pdf>

- There is growing inequality in Australia. The evidence is clear that *'This is not only unfair, it also poses dangers to community wellbeing, health, social stability, sustainable growth and long term prosperity.'*<sup>26</sup> The government must act on the Social Determinants of Health.<sup>27,28</sup> In 2012, the Senate Standing Committee on Community Affairs established an Inquiry into Australia's domestic response to the World Health Organization's (WHO) Commission on Social Determinants of Health report *Closing the gap within a generation.*<sup>29</sup> In 2013, the Committee released its report.<sup>30</sup> Its first recommendation was to ratify the WHO report and findings in the WHO *Closing the Gap in a Generation* report. However, action has still yet to be taken. AHPA is a member of the Social Determinants of Health Alliance<sup>31</sup> which reports that recent research<sup>32</sup> has shown that failing to act on the social determinants of health causes needless suffering and long-term health problems. Billions of dollars could be saved in health and welfare costs, reduced unemployment and improved productivity if governments adopted the recommendations of the WHO's *Closing the Gap in a Generation* report.
- Health needs to be 'everybody's business'. There is a plethora of evidence supporting the fact that health is largely affected by factors outside the health sector (housing, transport, the environment, education and employment). The Budget proposal to deny people under 30 unemployment benefits for six months is completely unacceptable and will have far reaching social and health implications including an increase in homelessness and poverty for some young people. All sectors of the community and all levels of government contribute to the health and wellbeing of Australians and have a role to play in improving our health.<sup>33</sup> It is essential for any government department or agency involved in formulating a legislative or regulatory proposal to assess the potential impact of its actions on the health of all Australians.
- It makes sense to enlist the commitment and hold to account all sectors of government to act collaboratively. A *Health in All Policies* (HIAP) approach (such as the one adopted in South Australia)<sup>34</sup> will enable this to happen. The approach would incorporate targets related to health in all sectors of government. HIAP will enable an integrated policy response across portfolio boundaries and enable the government to address the determinants of health in a systematic way.
- AHPA is deeply concerned at the abolition of the Australian National Preventive Health Agency (ANPHA). Our primary concern is a fundamental loss of focus on and funding for the promotion of health and prevention of illness in Australia. AHPA and PHAA's submission on the Australian National Preventive Health Agency (Abolition) Bill 2014 to the Senate Standing Committees on Community Affairs<sup>35</sup> outlined many of our concerns and implications of this regressive step. In that submission we

<sup>26</sup> Bob Douglas, B, Friel, S, Richard Dennis R & Morawetz D. Advance Australia Fair? What to do about growing inequality in Australia. 2014. Australia21 in collaboration with The Australia Institute. <http://www.australia21.org.au/wp-content/uploads/2014/06/Final-InequalityinAustraliaRepor-2.pdf>

<sup>27</sup> <http://determinantsofhealthalliance-org.webs.com/Senate%20report%20on%20social%20determinants%20deserves%20cross-party%20support.pdf>

<sup>28</sup> AHPA Submission to the Senate inquiry on Australia's domestic response to the World Health Organization's (WHO) Commission on Social Determinants of Health report "Closing the gap within a generation" [www.healthpromotion.org.au/images/stories/pdf/Advocacy/2012\\_Senate\\_enquiry\\_into\\_SDoH\\_\\_4\\_October\\_2012.pdf](http://www.healthpromotion.org.au/images/stories/pdf/Advocacy/2012_Senate_enquiry_into_SDoH__4_October_2012.pdf)

<sup>29</sup> World Health Organisation. 2008. Closing the gap in a generation: Health equity through action on the social determinants of health. Final Report of the Commission on Social Determinants of Health. Geneva, WHO. [http://whqlibdoc.who.int/publications/2008/9789241563703\\_eng.pdf](http://whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf)

<sup>30</sup> Australia's domestic response to the World Health Organization's (WHO) Commission on Social Determinants of Health report "Closing the gap within a generation" [www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/Completed\\_inquiries/2010-13/socialdeterminantsofhealth/report/index](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2010-13/socialdeterminantsofhealth/report/index)

<sup>31</sup> <http://socialdeterminants.org.au/>

<sup>32</sup> CHA/NATSEM. 2012. Cost of Inaction on the Social Determinants of Health.

<sup>33</sup> World Health Organisation, 1986, *Ottawa Charter for Health Promotion*: [www.who.int/hpr/NPH/docs/ottawa\\_charter\\_hp.pdf](http://www.who.int/hpr/NPH/docs/ottawa_charter_hp.pdf)

<sup>34</sup> Health In All Policies South Australia [www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/health+reform/health+in+all+policies](http://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/health+reform/health+in+all+policies)

<sup>35</sup> AHPA and PHAA Submission to the Australian National Preventive Health Agency (Abolition) Bill 2014 to the Senate Standing Committees on Community Affairs <http://www.healthpromotion.org.au/issues/480?task=view>

noted that the abrupt closure of the National Partnership Agreement on Preventive Health removed \$367million over four years from public health. This will have a significant impact on health promotion. The loss of federal funding has resulted in significant impacts and disruptions for example on the Healthy Children and Healthy Workers initiatives across Australia: staffing levels reduced, evaluation cut prematurely, partnerships with other sectors decimated, costly, lost opportunities to add to the health promotion body of knowledge of what works to make a difference to improve population health.

- The replacement of the Medicare Local program with Primary Health Networks and the suggested partnerships with private health insurers is a major policy change that greatly concerns AHPA. The Medicare locals – established in 2012 – have been planning, building and providing primary health care services and are being replaced before they have had time to evaluate their effectiveness or otherwise. It has been pointed out that the proposed Primary Health Networks will be much larger, clinically focused, and do not seem to have a mandate for health promotion or disease prevention even though these are very important.<sup>36</sup>
- Some State and Territory Governments have announced significant cuts to their health promotion and public health workforces over the past few years, most notably the Queensland and South Australia Governments. This is counterproductive, short sighted and fails to recognise the important contribution that this workforce makes to the health and wellbeing of the Australian population. The health promotion and prevention workforce (non-clinical) play a key role in comprehensive primary health care. This includes the focus on (a) improving access and reducing inequity; and (b) taking action to tackle social determinants of health and wellbeing with emphasis on health promotion, prevention, screening and early intervention. These are the strategic outcomes listed in the National Primary Health Care Strategic Framework.<sup>37</sup> The health promotion workforce has well-honed speciality competencies relating to conducting needs assessments, health planning and evaluation which are vital to support a robust primary health care system.

### **Recommendations**

That the government:

- Acknowledge the social determinants of health and work to reduce inequities in health outcomes
- Mandate health promotion and prevention as a requirement of the newly proposed Primary Health Networks.
- Maintain the focus on policy and apply a health lens to ensure that any government department or agency involved in formulating a legislative or regulatory proposal must assess the potential impact of its actions on the health of all Australians.
- Re-establish the national prevention health funds and provide national infrastructure for health promotion and prevention.
- Support the Public Health Association of Australia's (PHAA) call for the establishment of an Australian Centre for Disease Control.
- Reject the budget proposal to make people under 30 wait for six months before they can access unemployment benefits.

<sup>36</sup> Fran Baum <http://theconversation.com/federal-budget-2014-health-experts-react-26577>

<sup>37</sup> National Primary Health Care Strategic Framework <http://www.health.gov.au/internet/main/publishing.nsf/Content/nphc-strategic-framework>

Health promotion needs to be afforded visibility and status at the highest level of government and the health system evidenced by leadership, allocation of resources, and effective policies and programs. Leadership in the form of well-resourced health promotion across government departments with the responsibility to garner evidence, establish arguments, and resource the development and implementation of policies and programs that support population health, is essential.

Any health program designed to improve the health of Australians must include a strategy to increase the funding allocated to health promotion and prevention. This budget does the opposite. It has severely cut the level of commitment to health promotion and prevention and destroyed the infrastructure needed to lead and fund the achievement of population health goals for all Australians and adds to the burden of the most vulnerable.

Governments need to look at how they can increase investment in health promotion and prevention. It is not a question of whether they can afford to. They can't afford not to.

We appreciate the opportunity to make this submission and present our ideas to you.

Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.



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