



## Australian Health Care Reform Alliance

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***Submission to Senate Inquiry *Australia's domestic response  
to the World Health Organization's (WHO) Commission on  
Social Determinants of Health report "Closing the gap  
within a generation"****

**October 2012**

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**Summary**

The Australian Health Care Reform Alliance (AHCRA):

- supports the general theme and overall position of the WHO Report on the social determinants of health and notes its strong research base
- notes the Federal Government already recognises the health impact of non-health areas in some of its actions, e.g. its current positions on the Trans Pacific Trade Agreement
- considers that seriously preventing/reducing ill-health is the only feasible means of addressing the future unsustainability of the health system, given rapidly escalating costs
- proposes a Productivity Commission Inquiry into the impact of social determinants of health (including investigating the costs of not addressing these social determinants) and how best to tackle these
- proposes a '*Health Equity in All Policies*' approach Based on the South Australian model but with a stronger equity focus
- proposes the Federal Government or COAG should commence a national dialogue on ways to address the impending funding crisis in health care, including the value of addressing the social determinants of health.

## Introduction

AHCRA is a coalition of peak health groups working towards a better health system for Australia's future. The membership of AHCRA includes a wide range of national and state health and social welfare groups, including representatives from the medical, allied health and consumer sectors.<sup>1</sup> AHCRA's vision is *a health system that assists individuals to be healthy and delivers compassionate and quality health care to all*. AHCRA has worked actively in order to achieve this vision through policy, research and advocacy activities underpinned by principles agreed upon by members<sup>2</sup>: Two of the key underpinnings of AHCRA's positions are the need for equitable access to health care and equitable outcomes, and for a shift in the health system towards a stronger focus on preventing ill-health and early intervention and primary health care. This requires action outside of the health system.

AHCRA therefore supports the general theme and overall position of the WHO Report on the social determinants of health. AHCRA understands that health is determined to a large extent by social, economic, cultural, environmental and other (non-health) determinants, rather than by individual actions and behaviours. Therefore, it is essential to address these social determinants in order to improve the health of our population. Indeed AHCRA considers that effectively addressing the social determinants to create a more equitable society could have a greater impact on overall health status than the health care system itself.

AHCRA wishes to emphasise the strong research base which informed the development of the WHO Report and urges the Federal Government to take seriously the growing body of research which supports the role of social determinants in influencing health status.

AHCRA has a strong commitment to equity and supports the WHO Report's focus on improving the equity of our society through addressing the social determinants of health. The evidence indicates that improvements in equity achieved through addressing the social determinants of health result in improvements throughout the society, not just for the most disadvantaged. Such improvements relate to both economic and social factors, with improved productivity and improved health and well being.

This submission focusses on the ways in which AHCRA believes the Federal Government can promote both positive population health outcomes and improved economic performance through addressing the social determinants of health, using both existing policy frameworks and the development of new policy responses.

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<sup>1</sup> See Appendix 1 for a complete list of members

<sup>2</sup> See Appendix 2 for a more detailed outline of AHCRA's principles

## Term of Reference a) Government's response to other relevant WHO reports and declarations

AHCRA believes that the Government's response to relevant WHO Reports and declarations and other international agreements can have a significant impact upon the health of the Australian population. For example, US positions on intellectual property restrictions within the Trans Pacific Partnership Agreement threaten to undermine the PBS and potentially increase the cost of vital medicines for Australia (and also a number of poor countries). They also threaten the government's capacity to take action to improve public health in other ways and the recent battle over plain packaging of tobacco products provides a clear and topical example.

AHCRA notes that the Australian Government has been resisting such pressure and supports it in doing so. The Government's response to broader international reports and agreements can have a direct health effect through (for example) increasing the cost or restricting the supply of goods essential for health and well-being (such as food).

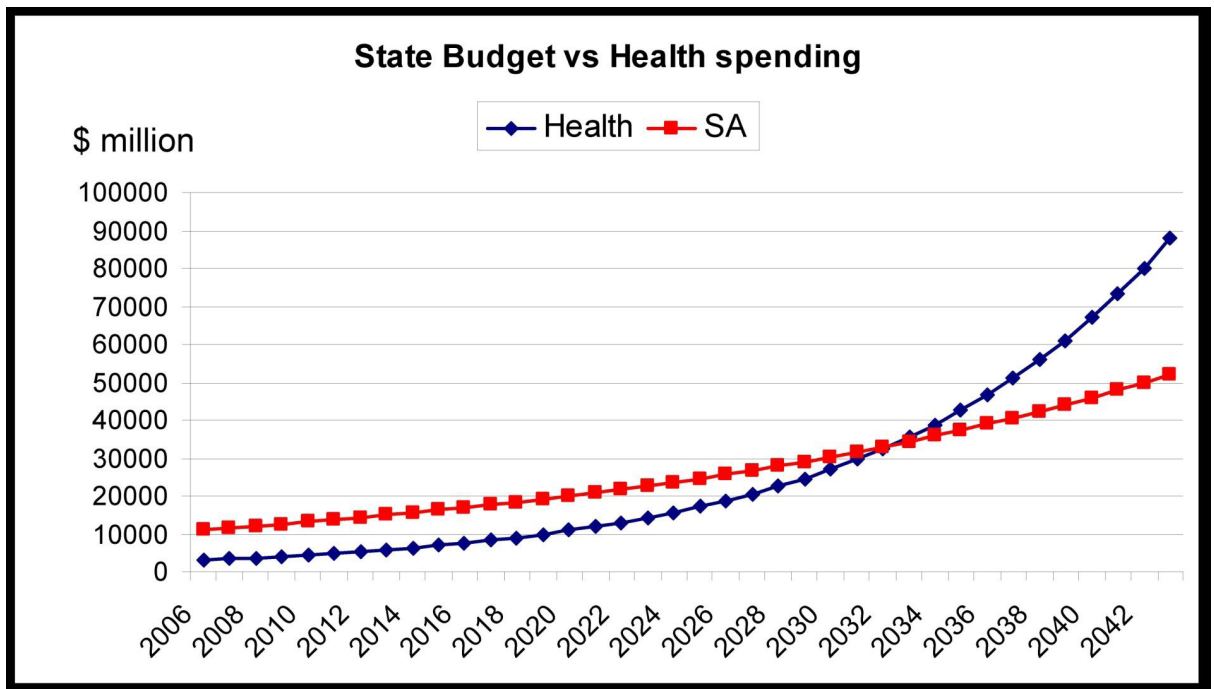
Given the significant influence that government action in many portfolios can have on the health of the population, AHCRA urges the government to make a comprehensive response to the WHO report on social determinants of health.

## Term of Reference (b) impacts of the Government's response

### **Relevance for Australia**

AHCRA believes that the WHO report and the 'social determinants' approach to health and other policy making it advocates is particularly relevant for Australia due to the following factors:

- Like most other developed countries, Australia is facing an impending health care funding crisis over the next twenty years. This is being driven by the continuing growth in health care costs, well above the average inflation rate for the rest of the economy. Contributors to this include sophisticated but often more expensive technological developments, the ageing of our population and widespread health workforce shortages driving up some staff costs. There are number of publicly available estimates that suggest that health care costs at the States level will outstrip the total State governments' budgets by 2034. If Australia wants to avoid this pending crisis it will need to act sooner rather than later.



Source: Department of Health (SA) 2007

- The choices to address this at their starkest are to either: ration health care (likely to lead to a flight to the private sector by those able to afford it and hence a more inequitable health system overall); or reduce the rate of ill-health.
- Acting on the root causes of poor health, rather than continuing to treat symptoms once developed, is therefore a more rational and publicly and politically acceptable option. The WHO Report (and the extensive evidence base that informs it) demonstrates that the most effective way to improve population health and prevent ill-health is by focussing on social determinants across a broad range of areas including economic, cultural, social and environmental.
- Equity issues are particularly important within the Australian context. Australia has a number of population groups with much poorer health than average, including Indigenous Australians, people with mental illnesses and those on low incomes. The shocking fact that Indigenous males have a life expectancy of 12 years less than non-indigenous males is evidence of how important it is for Australia to focus on reducing health inequities. AHCRA considers that improving the health of such groups requires a broad inter-sectoral approach that focusses on social determinants rather than narrowly-focussed strategies that target individual behaviours.
- A social determinants approach can also help Improve Australia's policy goals in other areas – for example, a healthier population is more productive and will improve Australia's ability to maintain a strong economic position in the current environment of global financial uncertainty. It will also help highlight the health benefits of government policies, such as the reduction in carbon emissions, which will reduce the incidence of serious health conditions such as heart and lung diseases.

Term of Reference (c) extent to which the Commonwealth is adopting a social determinants of health approach through:

- (i) relevant Commonwealth programs and services,
- (ii) the structures and activities of national health agencies, and
- (iii) appropriate Commonwealth data gathering and analysis;

### **Current agenda**

AHCRA recognises that historically Australia has a positive record of addressing many of the social determinants of health and improving health equity through progressive public policies and public health programs.

The current government has the opportunity to address the social determinants of health (at least to some extent) through a number of its policy platforms and frameworks, including Australia's First National Primary Health Care Strategy and the National Preventive Health Strategy. AHCRA supports the objectives of both these policies but considers they would be more effective with a stronger social determinants approach. Other specific actions taken by this government which positively address the social determinants of health include the establishment of a National Disability Insurance Scheme, its investment in social housing, pension increases and increases in family payments and the changes to the Private Health Insurance Rebate.

However, AHCRA believes that there is scope to substantially increase government action in this area to more effectively address the social determinants of health. We believe that this needs to occur through a central government commitment to address the social determinants of health in all policies and across all sectors of government.

In particular, AHCRA believes that the focus of some government health agencies is currently too narrow. For example, the Australian National Preventive Health Agency (ANPHA) has been directed to focus on specific individual risk behaviours (tobacco, alcohol and obesity) and is therefore very limited in its ability to directly target social determinants. AHCRA would support an explicit broadening of the focus of ANPHA and other health agencies to enable them to directly focus on social determinants. It considers there is strong evidence to believe that the impact of addressing social determinants will be considerably greater than the current narrow approach.

AHCRA also believes that other health agencies, such as the Australian Commission on Quality and Safety in Health and the National Health Performance Authority, should also be given responsibility for addressing the social determinants of health as part of their role within the health sector. In particular, health performance should be judged on both health outcomes and on a range of indicators that measure the social determinants, e.g. availability of affordable housing.

AHCRA believes that there are a number of barriers to achieving this goal that need to be overcome, as follows:

- The current structure of the public service into funding and policy silos and the resulting jurisdictional disputes over roles and responsibilities;
- Current funding arrangements which direct funds to narrow portfolio-based programs without the scope for a broader approach;

- Evaluation mechanisms which focus on narrow and short-term goals and ignore structural factors;
- A lack of understanding about social determinants of health among policy makers, politicians and managers;
- A lack of accountability for ignoring social determinants;
- Poor understanding of how to engage the community in addressing social determinants; and
- No clearly articulated policy goals for improving health equity and taking a ‘social determinants’ approach.

Improving the collection and analysis of data on health status could greatly assist in addressing these barriers. While there is already extensive health data available in many areas (for example that collected by the Australian Institute of Health and Welfare), in many cases it is not used to its full potential. AHCRA supports the development of an agreed set of national indicators on social determinants (such as employment, access to health care and education etc) and that these are used systematically to assess our progress in these areas. These indicators could then be used to broaden the scope of national agencies, programs and services to ensure they included action on social determinants.

## Term of Reference (d) scope for improving awareness of social determinants of health:

(i) in the community,

(ii) within government programs, and

(iii) amongst health and community service providers.

ACHRA believes that there is considerable scope for improving awareness of the social determinants of health throughout the community, government and the health sector. In particular, ACHRA believes that a clearly articulated commitment from the government to addressing social determinants is an essential first step in promoting greater awareness of this issue throughout the community. Experience from other jurisdictions, for example South Australia, indicates that a whole of government policy, supported by establishing a discrete organisation charged with promoting action on social determinants throughout the public sector, is an effective way of improving both awareness of and action on these issues. This is discussed in more detail under recommendations (below).

## Recommended responses

Effective action on the social determinants of health must be led by the Federal Government but it must involve all sectors, including non-government and business sectors. It must reflect the values of the community and there is strong research to show that the majority of Australians do seek a fairer more equitable society and favour more focus on preventing ill-health.

A specific commitment and articulated policy framework from the government on social determinants is also essential in order to achieve positive outcomes across the spectrum of the public sector. The South Australian Government has already taken a strong lead in this regard and its Health in All Policy framework provides a strong model for a Federal approach to this. This whole of government approach requires that the health impact of all decisions across the range of government responsibilities is considered in decision-making.

While there may be a number of ways in which a social determinants approach can be adopted, AHCRA supports the WHO Commission with respect to the importance of an empowered public sector, which embraces the principles of justice, equity and inter-sectoral collaboration, is vital to successful action in this area.

Based on these views, ACHRA makes the following specific recommendations:

- The government should instigate a Productivity Commission Inquiry into the impact of social determinants of health (including investigating the costs of not addressing these social determinants) and how best to tackle these. This would provide data on the economic impact of health inequality in the Australian context and support a broad inter-sectoral approach to positive action on social determinants.
- A '*Health Equity in All Policies*' approach should be adopted at a federal level in order to support other sectors to achieve their goals in a way which also improves health and wellbeing. Based on the South Australian model but with a stronger equity focus, this should involve a dedicated team supporting this strategy and a joint governance structure involving leaders from central government agencies. This approach should also include a range of public health tools, such as Health Impact Assessments for new policies and legislation, where these are appropriate to drive action on the social determinants of health.
- The Federal Government or COAG should commence a national dialogue on ways to address the impending funding crisis in health care, including the value of addressing the social determinants of health. The dialogue should be aimed at increasing awareness of the issues and identifying potential solutions including how communities have been engaged in this enterprise. The dialogue process should importantly also focus on the underlying values that decision makers should use in addressing this issue. The Canadian Government created the Romanov Commission to conduct a successful exercise nearly a decade ago. AHCRA has developed a simple methodology for conducting such an exercise in Australia, attached at Appendix 3.



## Appendix 1: AHCRA membership and Executive

The AHCRA Executive comprises the following members:

### Health Professionals

Bo Li (Allied Health Professions Australia)  
Michael Pervan (Australian Healthcare and Hospitals Association of Australia)  
Jo Walker (Public Health Association of Australia)  
Tim Woodruff (Doctors Reform Society)

### Consumer Groups

Marg Brown (Health Consumers of Rural and Remote Australia)  
Tony McBride (nominated by Health Issues Centre) (**Chair**)  
Russell McGowan (Health Care Consumers Association ACT)

### Rural

Carole Taylor (CRANApplus)

### Co-opted Members

Tracy Schrader (Public Hospitals, Health and Medicare Alliance of Queensland)  
Kathy Kendall (Health Consumers Network Qld)  
Bruce Simmons (Rural Dentists Network of the Australian Dental Association)  
Rod Wilson (Victorian Medicare Action Group)

### AHCRA membership September 2012

Allied Health Professions Australia	Audiology Australia
Australian College of Midwives	Australian College of Nurse Practitioners
Australian Council of Social Service	Australian Women's Health Network
Australian Health Promotion Association	Chiropractors' Association of Australia
Australian Rural Health Education Network	Australian Healthcare and Hospitals Association
Australian Wound Management Association	Australian Federation of AIDS Organisations
Continence Foundation of Australia	Country Women's Association of Australia
CRANApplus	Doctors Reform Society
Health Care Consumers' Association ACT	Health Consumers Network
Health Consumers of Rural and Remote Australia	National Public Hospitals Clinicians Taskforce
National Council For Intellectual Disability	Health Issues Centre
National Rural Health Alliance	Paramedics Australasia
Public Health Association of Australia	Services for Australian Rural and Remote Allied Health
Tasmanian Medicare Action Group	Victorian Medicare Action Group

## **Appendix 2: AHCRA principles**

The principles underpin the values of the Alliance and are supported by the full membership.

1. Vision
2. Access
3. Primary Health Care
4. Community Engagement
5. Equitable Outcomes
6. Workforce
7. Efficiency

### **Appendix 3: National dialogue on health – AHCRA proposal**

In 2007, Australian Health Care Reform Alliance, in partnership with the Health Issues Centre, undertook a series of consultations with 180 Australians around the country on the future of health care.

Access, equity and affordability were the key issues identified by participants as most important in health care.

Both the 2 page summary of these consultations and the final report can be accessed on the links below.

Conversations with Australians: The First Step – 2 page summary

Conversations with Australians: The First Step – 10 page report

#### Why is the Alliance Proposing a National Dialogue on the Future of Health Care

The Alliance argues that we are at a crucial moment in the history of Australian health care. This is described elsewhere on this website, but in summary we have a fragmented health system, funded by a multitude of sources and with significant gaps in care, that is subject to ever increasing pressures (e.g. financial, workforce, technology) and rising consumer demand and expectations. Increasingly, clinicians and health managers are being forced every day into making decisions about who should get what and when. Who should receive the next hip replacement, a very old patient or a younger one desperate to get back to work? Should the hospital buy more neo-natal cribs for ever-more premature babies or invest in more education and support for of young mothers? Overall decisions such as these should be made based on the community's overall values and priorities, not unwillingly and in piecemeal fashion by the health workforce. Major decisions about the medium and long-term are required.

At such a turning point, there needs to be a meaningful (and we use that term carefully) national dialogue with citizens and consumers. Such a national process could create a common set of values, principles and priorities for the health system of the future. It could create the first national vision and framework for health care that all governments in Australia could use as the basis of the system.

There are several simple reasons for consulting the community. First, as noted above, this is a key turning point in health policy requiring some high impact decisions. Citizens / consumers have a right to have a say at such a moment: "it is their health and their money".

Second, we believe that some informed and deliberative advice from citizens and consumers, especially about the underlying principles, values and priorities for the future system, will be of great value to health ministers in making sense of the more technical and sometimes vested advice they receive from the variety of organised providers and interest groups.

Third, there are significant broader benefits such as increasing public awareness about the difficult choices ahead in the health system, building some consensus and greater community trust and possibly some economic benefits through allocative efficiency.

Our proposal is that the engagement should not be the normal type of community consultation, but be:

- non-partisan and legitimate
- transparent, and run by an independent organisation.
- Information-rich for participants
- Deliberative, i.e. people will get the chance to listen, question and discuss before giving their final views.
- Meaningful, i.e. linked to genuine policy processes.
- Using a variety of methods and triangulating findings.

- Resourced and well facilitated.
- Respectful of participants' contributions and non burdensome.

The process would be strategically aimed at involving:

- Random samples of citizens drawn from the general population (enough to be significant but probably less than 1,000)
- High users of care who have considerable experience of how the system does and should meet their needs (e.g. chronically ill)
- Traditionally hard to reach groups, including those with special vulnerabilities (e.g. the homeless, people with disabilities) who have special prevention and care needs.

Methods used might include a combination of citizen's juries, deliberative councils, televoting, round tables. Results from these various techniques would be combined to find common perspectives and values.