



The Royal Australasian
College of Physicians

From the President

15 October 2012

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: community.affairs.sen@aph.gov.au

Dear Committee Secretary

Re: Inquiry into Australia's domestic response to the World Health Organization's Commission on Social Determinants of Health report "Closing the gap within a generation"

The Royal Australasian College of Physicians (RACP) welcomes the Senate Committee's 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".

The RACP strongly advocates for the importance of recognising and acting on the impact of the social determinants of health and we are pleased that due consideration is being given to Australia's domestic response to the WHO Commission's report. It is particularly important given the massive health disparities, not only between countries, but within countries. In Australia, where life expectancy is among the highest in the world, the life expectancy of Aboriginal and Torres Strait Islander males is 11.5 years less than non-Indigenous males and 9.7 years less for Aboriginal and Torres Strait Islander females.ⁱ

Our response is structured according to top down and bottom up approaches the Federal Government can take. We note that in a fiscally challenging environment there are severe pressures on the health budget. Addressing the social determinants of health can help to take some of that pressure off and stem the escalating costs. A recent report by the University of Canberra's National Centre for Social and Economic Modelling, commissioned by Catholic Health Australia, estimated that 500,000 Australians could avoid suffering chronic diseases resulting in 60,000 fewer hospital admissions each year with a direct saving of \$2.3 billion on annual hospital costs and billions more on welfare payments and the Pharmaceutical Benefits Scheme.ⁱⁱ

Top Down Approaches

Recommendation: The Federal Government investigates mechanisms to incentivise cross-sectoral collaboration between departments

One of the key barriers to addressing the social determinants of health is that government programs are siloed horizontally within portfolio areas and vertically within the levels of government. This is an unfortunate consequence of the important drive for accountability on public funds and the associated low appetite of governments to take risks, either real or perceived, on innovative policy responses to complex problems.

Addressing the social determinants of health requires Ministers and their departments to work together and requires the sharing of resources. We recommend that governments make use of mechanisms to ensure that entrenched policy behaviour is modified to ensure that this cross-government collaboration can take place. This can be achieved through the development of funding arrangements that incentivise collaboration.

This has taken place in various jurisdictions. In South Australia, for example, the government has established the Urban Renewal Authority, whose role is to engage the local community and encourage participation in the planning and development of neighbourhoods. This includes creating spaces to improve public housing stock, public spaces, and public transport options. Also in South Australia, the state government has established a Health in All Policies unit tasked with mobilising agencies across the spectrum of public policy. The establishment of the unit is a direct response to the increasing proportion of the overall state budget spent on health. South Australia notes that 'burgeoning health costs and increasing public expectations are becoming problematic for all government departments, as health care costs are consuming resources that could be spent to achieve public policy outcomes in other sectors. Therefore, dealing with the social determinants of health is in the interest of all sectors.'ⁱⁱⁱ Similar programs are being established internationally, most notably in Finland, Canada and California.

The RACP recommends that the Federal Government investigates similar mechanisms to ensure that cross-sectoral collaboration is taking place on a consistent basis. This may mean the establishment of units within central agencies, or may mean finding mechanisms for sharing funding between departments enabling a more flexible approach to government policy-making. These arrangements could not only address the health needs of the Australian people, but could also have significant benefits for the federal budget.

Bottom up approaches

Recommendation: Federal funding for non-government organisations should encourage collaboration across sectors

The WHO Commission's report highlights the important role of civil society in addressing health inequity. Chapter 6: Healthy Places Healthy People, for example, includes a strong theme of all levels of government working collaboratively with civil society organisations to ensure that governance mechanisms are in place to allow communities to partner in building healthier and safer cities. This includes ensuring the availability of healthy urban spaces, the promotion of physical activity and the availability of affordable quality housing.

In addition to government agencies needing to work more collaboratively, the non-government sector also needs to do so. Government funding mechanisms in the past have incentivised competition between non-governmental organisations (NGOs) at the expense of

building relationships between them. A key response to this problem is for government funding to be contingent on non-governmental organisations collaborating across sectors.

This is not necessarily building new models, but learning from existing successful ones. Aboriginal Community Controlled Health Organisations (ACCHO) provide an interesting example of where NGOs are providing holistic programs to address the health needs of local populations, including building links between health, housing and justice programs to address some of the root causes of the poor health status of people in their communities. The RACP recommends that the government supports and replicates these models across Australia.

The RACP appreciates the opportunity to provide a submission to the Committee.

Yours sincerely

Professor Nicholas J Talley
Acting President

ⁱ ABS. 4704.0 - The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples, Oct 2010

ⁱⁱ Brown, L, Thurecht, L, Nepal, B, (2012), The Cost of Inaction on the Social Determinants of Health, CHA-NATSEM Second Report on Health Inequalities.

ⁱⁱⁱ Government of South Australia, (2011), Health in All Policies: The South Australian Approach.