



Submission No 7

Inquiry into Australia's Relationship with Timor-Leste

Organisation: The Fred Hollows Foundation

Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs Sub-Committee



**The Fred Hollows
Foundation**

**The Cost of Avoidable Blindness:
Australia's Continuing Role in a Stable and
Healthy Timor-Leste**



**Submission to the Joint Standing Committee on Foreign Affairs, Defence
and Trade's Inquiry into Australia's Relationship with Timor-Leste**

March 2013

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Overview

- Eliminating avoidable blindness in Timor-Leste is a clear and achievable development goal which is in Australia's national interest. Avoidable blindness is both a cause and result of poverty. Ending avoidable blindness is a goal consistent with AusAID's mandate to address poverty under the Comprehensive Aid Policy Framework.¹
- Avoidable blindness in Timor-Leste is a significant public health challenge and stands as a key barrier to Timor-Leste achieving its Millennium Development Goals (MDGs).
- Around 80% of avoidable blindness in Timor-Leste is preventable, curable or manageable.
- Mounting research and academic evidence shows that the elimination of avoidable blindness yields significant economic and non-economic returns, making it a highly cost effective development goal.
- The Australian Aid Program is providing key support to the Government of Timor-Leste in moving toward eliminating avoidable blindness.
- With continued Australian Government and Non-Government Organisation (NGO) assistance, Timor-Leste is well placed to eliminate avoidable blindness in the current generation.

Eye Health: A Critical Development Issue for Timor-Leste

Health, including eye health, is a critical development issue for Timor-Leste. The burden of avoidable blindness limits not only health, but economic and social progress. With direct flow on effects including access to employment, addressing gender equality and achieving positive educational outcomes, improved eye health is directly linked to increased rates of prosperity, which in turn broadly feeds into development gains and increased stability.

The 2013 United Nation's Human Development Index (HDI) report² for Timor-Leste shows that recent investments in the health sector are paying dividends. Although Timor-Leste's overall HDI is only 0.576, ranking it 134 out of 187 countries, the health component of the HDI is 0.677, showing that progress in health ranks above the national average. Since 2007, Timor-Leste has improved five places on the HDI.

As recent reductions in child mortality in the country have shown, sustained investments, such as those in MDG 4, have led to MDG targets being met in Timor-Leste. The strategy of targeting the clear and achievable goal of improving eye health can directly contribute to other MDGs that are not tracking so well. These include MDG 1 (as avoidable blindness is a cause and a consequence of poverty); MDG 2 (as 90% of visually impaired children do not go to school); MDG 3 (as women have less access to, and benefit from, eye health care services than men); MDG 5 (as women with eye conditions are less likely to access reproductive and maternal-health related services); and MDG 6 (as people living with HIV are more prone to suffer from ocular complications).

The Australian Government's whole-of-government approach is aiming to bolster Timor-Leste's capacity for trade, investment and contribution to regional security. Development, through improved prosperity, lies at the heart of these aims. Investment in eye health pays clear dividends in the lives of Timor-Leste's poorest people, and as such represents a mechanism to support Timor-

¹ <http://www.ausaid.gov.au/makediff/pages/capf.aspx>

² <http://hdr.undp.org/en/reports/global/hdr2013/>

Leste to be better placed to achieve its MDGs and realise its trade, investment and security potential.

Avoidable Blindness in Timor-Leste

Avoidable blindness occurs all over the world, but by far the greatest burden is carried by developing countries.³ Timor-Leste experiences the highest prevalence of avoidable blindness in our region. Around 61,000 East Timorese aged over 40 are vision impaired, of which 14,000 are blind. The latest assessment⁴ showed an alarming 6.5% of those over 40 suffered from a treatable blindness issue, and a further 16.1% live with untreated low vision. The only other countries experiencing anything like these high rates of preventable blindness are in sub-Saharan Africa. Furthermore, around 80% of incidents of blindness in Timor-Leste are preventable, curable or manageable.

Given its low development status, these blindness statistics stand squarely in the road of the country's progress towards the MDGs. The issue of avoidable blindness has not historically been on the Government of Timor-Leste's agenda, and The Fred Hollows Foundation has been working since 2006 to raise the priority of avoidable blindness as a key development issue.

A number of monetary and non monetary barriers keep East Timorese from accessing eye care services and treating their avoidable blindness and/or visual impairment. Public facilities do not charge for eye care services (i.e. there is no cost recovery mechanism at facility level – revenue for health is raised through taxes), however despite the eye health services delivered through the public health system being notionally free at the point of service, an array of other barriers conspire to prevent potential patients from seeking services. These include: a lack of awareness that certain eye conditions (such as cataracts) are treatable, the additional financial impost of transport and logistical costs to travel to health facilities, the opportunity costs of individuals (and their carers') time, fear of post-operative complications and low quality health care services.

On the supply side, inadequate budgetary allocations to the health system in Timor-Leste have limited the ability of the health system to provide care. This has resulted in insufficient policies and plans in place, and inefficiencies in program implementation. This occurs across all aspects of eye care including lack of trained and qualified human resources, poor infrastructure, equipment and supply of medicines and medical consumables.

Australia's Lead Role in Eliminating Avoidable Blindness in Timor-Leste

Despite these ominous statistics, the Government of Timor-Leste, with its Australian Government and non-government partners, has made significant progress to tackle the structural, operational and community issues that collectively undermine the access to eye care services that result in these high rates of avoidable blindness.

³ The Fred Hollows Foundation (2013) *Investing in Vision – Comparing the costs and benefits of eliminating avoidable blindness and visual impairment*, Sydney Australia. Available at: <http://www.hollows.org.au/our-work/the-price-of-sight>

⁴ 2010 Rapid Assessment of Avoidable Blindness in Timor-Leste

Australia is Timor-Leste's largest provider of bilateral overseas development assistance funding providing nearly AUD\$117m in 2012/13.⁵ As a key donor, Australia is in a unique position to continue to shape the country's transition to stability, enhance its security, improve governance and continue to secure development gains – particularly in better health outcomes and reduced rates of poverty.

Australia's aid spending in Timor-Leste on avoidable blindness is showing results. Dili now has the country's only dedicated eye health hospital, the National Eye Centre, built and managed with support from The Fred Hollows Foundation, the Royal Australasian College of Surgeons and AusAID. Opened by His Excellency Ray Kala Xanana Gusmao and recently visited by the Minister for Foreign Affairs, Senator the Honourable Bob Carr, the centre is the first of its kind to offer affordable high quality eye care services to a needy public.

The Fred Hollows Foundation is supporting the Timor-Leste Ministry of Health to address both the demand and supply constraints by working in partnership to strengthen the institutional arrangements related to eye health. This includes improved quality of services, outreach and public health campaigns. In its first year of operation, the National Eye Centre in Dili screened over 5,000 people, performed over 600 cataract surgeries and distributed nearly 5,000 pairs of glasses. Financial support from The Fred Hollows Foundation along with AusAID (ABI) funding will see these figures increase over the next five years.

Australia is well placed to build on its successes and to secure its development investments in Timor-Leste. However, Timor-Leste is currently on track to achieve only three out of seven of its Millennium Development Goals (MDGs), of which two are health-related. A reduction in current spending trends will undermine these hard fought development gains. To contribute to achieving development gains that are also aligned with the MDGs, AusAID's Avoidable Blindness Initiative (ABI) 2013-2017 sets out a clear strategy of how Australia is leading the way to eliminate avoidable blindness in Timor-Leste. This initiative is building on the existing work of The Fred Hollows Foundation which, since 2006, has been a key catalyst in eye health improvements in Timor-Leste.

Australia now sits in the unique position of being able to consolidate its spending on avoidable blindness. In remaining a lead supporter of the Government of Timor-Leste's efforts to eliminate avoidable blindness, it will directly contribute to the country's progress to prosperity and stability.

The Avoidable Blindness Initiative (ABI)

The Australian Government's commitment to eye health in Timor-Leste is managed through AusAID's Avoidable Blindness Initiative. In Timor-Leste, the initiative will provide nearly \$1.8m over the next three years (2013-2015) to support the strengthening of eye health services in the key sectors of health system strengthening; service delivery; infrastructure; human resource development; and research. This builds on ABI's original commitment to Timor-Leste of \$573,000 for 2012.

Within the ABI framework, The Fred Hollows Foundation and the Royal Australasian College of Surgeons (RACS) are utilising this funding to continue to support the Timor-Leste Ministry of Health to ensure East Timorese can access sustainable, high quality and affordable eye care services.

⁵ <http://ausaid.gov.au/countries/eastasia/timor-leste/Pages/default.aspx>

Consistent with previous spending on eye health, the eye care activities undertaken under the ABI are expected to result in improved livelihoods and greater economic prosperity. The two organisations are part of the Vision 2020 Australia Global Consortium, a group of eight Australian agencies involved in eye health activities.

The Fred Hollows Foundation is working with the Government of Timor-Leste to draft and implement a new National Eye Health Strategy (NEHS 2013-2018), which is expected to be signed in the first half of 2013. This policy underscores the Government of Timor-Leste's commitment to eye health, and sets out its leadership and governance arrangements on how avoidable blindness will be tackled. AusAID's contribution through the ABI will support The Fred Hollows Foundation to contribute to the effective implementation of the NEHS.

The Fred Hollows Foundation will continue to provide management support to the country's only dedicated eye health facility, Dili's National Eye Centre (NEC). Through ABI funding, the NEC will continue to provide accessible eye care services.

The Economic Benefits of Eye Health: A Sound Investment

The high prevalence rate of avoidable blindness in Timor-Leste means that thousands of blind or visually impaired people and their carers are severely restricted in their ability to contribute to their communities' economic development.

Eye health programs in particular are unique in that the solutions to ending avoidable blindness already exist and are cost effective. Capitalising on them is a matter of strengthening existing systems to improve efficiency and effectiveness.

Findings from a February 2013 Pricewaterhouse Coopers (PwC) study, commissioned by a range of international eye health organisations under the lead of The Fred Hollows Foundation, indicate that investing in eye health is a sound economic strategy.⁶ Every additional dollar spent on eliminating avoidable blindness in developing countries, such as Timor-Leste, is likely to generate at least four dollars in economic benefits. This is in addition to the considerable non-monetary benefits to which a value could not be assigned, including improved social and health outcomes such as increased primary education, reduced extreme poverty, increased independence, self esteem and improved social networks and increased gender equality. To the extent that these considerable benefits could not be assigned a value, the authors note that the finding is conservative, with the actual net benefit likely to be much larger than expressed in the report.

The monetary costs associated with caring for a person in Timor-Leste living with blindness or acute visual impairment are borne as out-of-pocket-expenses, normally by the family. Government or other social services are limited. Given that 41% of the population live on less than US\$1 per day and 43% are highly food-insecure, the burden of caring for a person with a disability imposes a considerable additional financial burden on households.⁷ The opening of the Dili National Eye Centre in 2012 has resulted in more East Timorese utilising eye health services and a subsequent increase in

⁶ The Fred Hollows Foundation (2013) *Investing in Vision – Comparing the costs and benefits of eliminating avoidable blindness and visual impairment*, Sydney Australia. Available at: <http://www.hollows.org.au/our-work/the-price-of-sight>

⁷ 2012 UNDP Timor-Leste Country Program

uptake of cataract surgeries in 2012. This, in turn, is likely to have a transformative effect on households by both increasing their labour productivity and reducing their outlays. Such increases in real disposable incomes can be enough to allow households to lift themselves out of poverty.

The PwC study complements the increasing body of research that indicates that investing in eliminating avoidable blindness makes good economic sense. It also suggests that there is a considerable opportunity cost of inaction to national economies, if eye health is not properly addressed. Indeed, the large net benefit places eliminating avoidable blindness among the likes of primary school education and infrastructure projects in developing countries in terms of its broader economic value.⁸

Evidence from other developing country contexts further underscores the cost-effectiveness of eye care interventions. In a study in India, results showed an average patient was able to earn an income in the first year following cataract surgery of around 15 times the cost of the operation.⁹

The Cost Effectiveness of Eye Health

The PwC report “Investing in Vision” (2013) states that in developing countries, the backlog of avoidable blindness and visual impairment can be wholly eliminated, with primary and secondary health system established to sustainably treat the future cases of avoidable blindness for an additional investment of US\$2.20 per capita per year for 10 years.¹⁰

The overall total health expenditure, in per-capita terms, in Timor-Leste was US\$65 in 2009, or 11.9 per cent of GDP – considerably higher than the global average of 7.1 per cent.¹¹ Of this, the Government of Timor-Leste provides 66% of total expenditure (which includes development assistance contributions), the out of pocket share is 8.7% and the not-for-profit contribution is 25%. If applying the conservative and generic figure of US\$2.20, this represents a 3.3% increase in overall per capita spending on health to eliminate avoidable blindness in a country with such a high prevalence rate and small population.

⁸ World Bank (2001) “Arab Republic of Egypt: An Economic Analysis of Early Childhood Education/Development” available at <http://www.eric.ed.gov/PDFS/ED466655.pdf>; World Bank (2004) “A Cost Benefit Analysis of Preschool Education in Turkey”, available at http://siteresources.worldbank.org/INTTURKEY/Resources/361616-1142415001082/Preschool_by_Kaytaz.pdf ; Dillon, A., M, Sharma, X. Zhanga (2011) “Estimating the impact of rural investments in Nepal”, *Food Policy* 36 (2011) pp. 250–258

⁹ Jamieson, D T, et al. (1993). *Disease Control Priorities in Developing Countries*. Washington DC: The World Bank

¹⁰ The US\$2.20 per capita suggested spend on eye health to eliminate avoidable blindness in the developing world is an overall figure which is an average of all countries surveyed. Note also though, that the US\$2.20 figure is for a gold standard eye health care system – even a more conservative investment will result in significant gains. Whilst there has been no research specifically to determine a figure in Timor-Leste, the report’s finding is applicable: investments in eye health are socially and economically beneficial.

¹¹ WHO (2012) World Health Statistics Report, World Health Organisation, Geneva. Available at: http://www.who.int/gho/publications/world_health_statistics/EN_WHS2012_Full.pdf

Australia can continue to play a lead role in eliminating avoidable blindness in one of our closest neighbours, and realise the forecast four to one cost-benefit ratio that will bolster Timor-Leste's opportunities to succeed against more than the existing three out of seven MDGs.

Conclusion

Eliminating avoidable blindness in Timor-Leste is in the best interest of Australia, Timor-Leste and the region's. It is a critical development challenge with a clear and achievable outcome. The benefits of continued investments in eye health are numerous: Eye health is a cost-effective way to secure broad health and poverty reduction benefits which will in turn place Timor-Leste in a better position to meet its MDGs. With its expertise and experience, Australia is in a unique position to continue to lead the way in eliminating avoidable blindness in Timor-Leste.

However, the cost of inaction is high. By not addressing this completely manageable burden, thousands of East Timorese will continue to live with no sight or low vision. These people will not fulfil their economic potential and not contribute financially to their communities. They will rely on carers thus also effectively removing these supporters from the workforce as well. People living with poor sight are unlikely to get an education and unlikely to educate their children, thus entrenching the cycle of poverty. The social and humanitarian costs of living without sight in a developing country are huge.

Australia has demonstrated strong leadership and brought nuanced expertise and experience in addressing avoidable blindness in Timor-Leste. Now is the time for Australia to continue its leadership role and advance its initial investments. A continued commitment through existing mechanisms such as the VISION 2020 Australia Global Consortium, funded by AusAID, sets a clear way forward.

Australia can ensure thousands of East Timorese can enhance their quality of life, access education, healthcare, and employment opportunities, and by doing so allow families to break the cycle of poverty. Beyond the moral compulsion to act, a more prosperous Timor-Leste will contribute to a stable region and broaden Australian economic and social opportunities with a close neighbour. The results of successfully eliminating avoidable blindness in Timor-Leste will also exemplify Australia as an effective and innovative development partner and showcase its commitment to the region.

Contact Information

For more information on the contents of this submission, please contact The Fred Hollows Foundation at fred@hollows.org or on (02) 8741 1900.