



## **Australian Healthcare and Hospitals Association**

### **Submission to the**

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

4 October 2012

#### **Introduction**

The Australian Healthcare & Hospitals Association (AHHA) welcomes the opportunity to provide to the Senate Committee on Australia's domestic response to the World Health Organization's (WHO) Commission on the Social Determinants of Health report "Closing the gap within a generation".

The Australian Healthcare & Hospitals Association is the peak body and advocate for the Australian public healthcare and not-for-profit sectors. Our membership includes state health departments, Local Hospital Networks and public hospitals, community health services, Medicare Locals and primary healthcare providers, universities, and individual health professionals and academics. We are uniquely placed to be an independent, national voice for universally accessible, high quality healthcare.

In 2005, the World Health Organization (WHO) established the Commission on Social Determinants of Health (the Commission) to "marshal the evidence on what can be done to promote health equity, and to foster a global movement to achieve it". In 2008, the Commission released its report *Closing the gap within a generation* which identified preventable health inequities arising from the circumstances and environment in which people live and work and the political, social and economic influences on these circumstances<sup>1</sup>.

The three broad recommendations of the Commission were:

1. Improve daily living conditions – the circumstances in which children are born, grow, and learn, and improve the conditions in which all people live, work and age.
2. Tackle the inequitable distribution of power, money and resources
3. Measure and understand the problem and assess the impact of action.



## Response to Terms of Reference

### (a) Government's response to other relevant WHO reports and declarations

While the Australian Government's support for the Commission's report as described in the subsequent *Rio Political Declaration on Social Determinants of Health*<sup>ii</sup> is implied by way of Australia's membership of the WHO, no explicit statement of support appears to have been made and there is limited reference to the Commission's report in easily accessible Department of Health and Ageing documents.

The National Preventative Health Strategy, *Australia: The Healthiest Country by 2020*,<sup>iii</sup> identifies action on social determinants as essential to address inequities in obesity, tobacco use and alcohol consumption. The recent success with tobacco packaging aside, much of the activity in response to the Strategy remains within the health sector's scope of work and there has not been significant cross-sector or cross-Departmental action.

There is evidence of successful engagement with the Commission's recommendations at the State level, particularly in South Australia (Health in All Policy approach<sup>iv</sup>) and Tasmania (Fair and Healthy Tasmania<sup>v</sup>).

**Recommendation 1:** *That the Australia Government make a formal statement of support for the recommendations of the Commission.*

**Recommendation 2:** *That the Australian Government, in collaboration with States and Territories, develop an action plan to implement the Commission recommendations.*

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

On behalf of Catholic Health Australia, The National Centre for Social and Economic Modelling (NATSEM), University of Canberra, examined the cost of Government inaction in addressing the social determinants of health; that is action to reduce the preventable inequities in health resulting from social and environmental circumstances<sup>vi</sup>.

NATSEM reported that the adoption of the Commission's recommendations would result in:

- 500,000 Australians avoiding suffering a chronic illness
- 170,000 extra Australians could enter the workforce
- Annual savings of \$4 billion in avoided welfare payments
- 60,000 fewer individuals admitted to hospital per year, over 500,000 fewer hospital separations and a reduction of 1.44 million hospital bed days, saving \$2.3 billion in annual hospital expenditure
- 5.5 million fewer Medicare services per year, saving \$273 million annually
- 5.3 million fewer PBS scripts per year, saving \$184.5 million annually,



In an environment characterised by increasing accountability and a drive for efficiencies and savings, the benefits available through the adoption of a coordinated approach to reduce health inequities must be a priority.

The increasing burden of chronic and preventable diseases and the ageing of Australia's population add further weight to the argument for immediate action.

**(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**

The Commission, NATSEM and others, in identifying the opportunities to reduce the impact of the social determinants point clearly to the need for action beyond the health service environment.

At the AHHA 2012 annual conference, Mary Ann O'Loughlin, Executive Councillor, COAG Reform Council, stated that the Government's performance on employment and housing will have a critical impact on health outcomes. The Adelaide Statement on Health in All Policies<sup>vii</sup> describes the need for "joined-up government". This reflects the need for intra- and cross-agency coordination, and partnerships between the community, government and the private and non-government sectors.

There is currently little evidence of successful cross-agency collaboration or cooperation at the Commonwealth level to address the social determinants of health. The adoption of models similar to those of South Australia and Tasmania are required to overcome the policy and program silos which persist within and between Commonwealth Agencies.

***Recommendation 3:*** *That the Australian Government immediately develop and implement a 'health in all policy' approach and require the completion of Health Impact Assessments (HIAs) to inform policy development and legislative change.*

***Recommendation 4:*** *That all National Partnership Agreements include a Health Improvement Dividend section to identify and quantify the impact of the social determinants of Health and health outcomes arising from the Agreements content.*

**(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.**

Strong leadership will be required to raise community awareness, stimulate discussion and engender appropriate action. This would be supported by the establishment of an Australian Commission to oversee and report on progress on the implementation of the WHO Commission recommendations. Additionally the Commission would audit and report on the implementation of the Health in all



Policy approach and the use and quality of HIAs and promote successes and outcomes from across all Governments.

***Recommendation 5:*** *That an Australian Commission on the Social Determinants of Health be established to coordinate inter-Agency action and report annually on progress to address the social determinants and reduce health inequity .*

### **Contact:**

Prue Power AM  
Chief Executive  
Australian Healthcare & Hospitals Association  
T: 02 6162 0780 | F: 02 6162 0779 | M: 0417 419 857  
Post: PO Box 78, Deakin West, ACT 2600  
Location: Unit 2, Ground Floor, 1 Napier Close, Deakin, ACT  
E: ppower@ahha.asn.au  
W: www.ahha.asn.au

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i Commission on Social Determinants of Health. 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, World Health Organization: 2008

ii World Conference on Social Determinants of Health. Rio Political Declaration on Social Determinants of Health: Rio de Janeiro, Brazil, 21 October 2011. Geneva, World Health Organization: 2011.

iii National Preventative Health Taskforce. Australia: The Healthiest Country by 2020. Canberra, Commonwealth of Australia: 2008.

iv <http://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/health+reform/health+in+all+policies>

v Department of Health and Human Services. Fair and Healthy Tasmania Strategic Review: Final Report. Hobart, Government of Tasmania: 2011

vi Brown, L., Thurecht, L., Nepal, B. The Cost of Inaction on the Social Determinants of Health. Canberra, Catholic Health Australia: 2012.

vii Adelaide Statement on Health in All Policies. WHO, Government of South Australia, Adelaide 2010.