Senate Select Committee on Health
PO Box 6100
Parliament House
Canberra ACT 2600

Submitted electronically
19 September 2014

Submission to Senate Select Committee on Health
The St Vincent de Paul Society (the Society) is a respected lay Catholic charitable organisation operating in 149 countries around the world. Our work in Australia covers every state and territory, and is carried out by more than 60,000 members, volunteers, and employees. Our people are deeply committed to social assistance and social justice, and our mission is to provide help for those who are marginalised by structures of exclusion and injustice. Our programs assist millions of Australians each year, including people living with mental illness, people who are homeless and insecurely housed, migrants and refugees, and people experiencing poverty.

On 15 July 2014, the Senate Select Committee invited the Society to make a submission to its inquiry into health policy, administration, and expenditure.¹ The Society has consulted our members nationally, and we welcome the opportunity to make this contribution.

### 1. Executive Summary

Health is a human right.² In our service delivery, the Society is particularly engaged in mental health, and runs a range of mental health programmes around the country. We do this, in part, because there is a gap that is left by public programs: we are deeply concerned with the lack of healthcare that is accessible and affordable for the poorest Australians.

Moreover, we have observed that an individual’s mental health crisis almost never occurs in isolation: it is intertwined with housing stress, employment options, race, gender, class, place, and the success or otherwise of previous mental health interventions. We call for a new approach to mental health in Australia that recognises the social determinants of health and these intersectional issues, and focuses on community education and early intervention.³

### 2. Term of reference b. The impact of additional costs on access to affordable healthcare and the sustainability of Medicare.

Research into the Social Determinants of Health consistently shows that health is closely intertwined with socio-economic status.⁴ From this perspective, health follows a social

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² Examples are contained in the *International Covenant on Economic, Social and Cultural Rights; Convention on the Elimination of All Forms of Discrimination Against Women; Convention on the Rights of the Child.*
gradient: the social, economic and political environments in which people live play a highly significant role in determining their health.\textsuperscript{5} This is because health and wellbeing depend not only on access to healthcare, but less directly on the availability of other basic goods like housing, adequate income, education, and utilities.

As such, socioeconomic position can predict who develops a range of serious health problems, including heart disease, diabetes, respiratory disease, and particular cancers.\textsuperscript{6} A recent study by Catholic Health Australia and the National Centre for Social and Economic Modelling (NATSEM) has also found that those who are the most socio-economically disadvantaged are twice as likely to have a long-term health condition as the most affluent Australians.\textsuperscript{7} Furthermore, the report found that those who are poor are twice as likely to suffer from chronic illnesses and will die on average three years earlier than the wealthiest. Similarly, a report published by the Australian Institute of Health and Welfare shows that Indigenous Australians, who currently experience great social disadvantage compared with broader Australian society, have a life expectancy 10 years lower than the national average.\textsuperscript{8}

**Universal healthcare in Australia**

As above, there is an internationally recognised right to health. Moreover, Australia has ratified international human rights treaties which include sustaining this right. The provision of universal healthcare therefore plays an important component of our government’s legal, moral, and social responsibility to its citizens.\textsuperscript{9} The Medicare system has been providing this universal healthcare for decades, which has gone a long way in preventing major health disparity in our communities. This has been particularly important for those who are socioeconomically disadvantaged or marginalised, and who cannot afford alternative (private) health services.

In spite of the existence of Australia’s universal health care system, there are people who are still missing out on services. A study conducted by the Queensland Council of Social Services demonstrated that those who are socially isolated and disadvantaged are not accessing health services as often as the average Australian, or access them too late.\textsuperscript{10}

\begin{flushright}
\textsuperscript{6}George Davey Smith (ed.), *Health Inequalities: Lifecourse Approaches* (2003).
\end{flushright}
This lack of access can be attributed to various factors, including lack of transport to attend appointments, lack of income to pay for specialist treatment, fear of being asked to pay for attending a GP, and stigma and discrimination. The issue of stigma is particularly pertinent when it comes to people with mental illness. Research shows that the stigma experienced by people with mental illness has been a major barrier to seeking help.\textsuperscript{11} Financial factors also impact on access to health services for people with mental illness: \textsuperscript{12} due to long term unemployment, poverty and isolation, they often have little or no money to access expensive private health services, which in some cases may be essential to a quick and full recovery.

**The cost of additional costs**

It is not difficult to see the impact of any additional financial costs to healthcare for these vulnerable groups of people. Quite simply, costs will further disconnect them from existing health services. In fact, we have already been told by many of the people that we assist that they have stopped seeing their local bulk-billing doctor because of fear of a new GP co-payment.

In the short-term, this means that people will suffer ill-health without seeking help, or will seek assistance from emergency service departments instead, to avoid paying fees. In the mid-term, it means that conditions will go untreated, people will have to take more time off work, and be able to engage less with the community. In the long-term, it means that avoidable health complications will cause vastly increased costs for the public hospital system, as health issues which could have been treated early spiral out of control. For those with mental illness, additional cost and the ensuing lack of access to healthcare will perpetuate the vicious cycle of poverty, incarceration, and increased psychological suffering.

Increasing the cost of healthcare must also been seen against the background of other financial pressures on the most disadvantages. Housing affordability is decreasing, income support payments from the government are decreasing (either directly or due to lack of indexation), the cost of education is increasing, and utility prices are increasing far above inflation. Adding further barriers to healthcare will not just add to, but will compound, these issues. The costs will be severely detrimental to the wellbeing of those who are already doing it tough.

**Alternative policies**

The Society accepts that the government needs to spend money responsibly, and that revenue is not matching expenditure. However, we do not believe that the answer is to put additional costs on health services. Instead, we believe that revenue – which is falling in

\begin{footnotesize}
\textsuperscript{12} According to VICSERV research, 85.2% of people living with severe mental illness are recipients of a government pension. vicserv.org.au/uploads/documents/pathways/paper1.pdf.
\end{footnotesize}
large part due to very recent tax cuts and additional concessions to the rich – must be raised. Along with many others, we have identified a range of measures that government could take to address declining revenue, which would not have adverse social or economic consequences. These measures include undoing some of the income tax cuts of the last 15 years, increasing taxation on large multinationals and domestic companies making super-profits, and removing a range of very generous payments in the form of tax breaks to the wealthiest Australians (including superannuation, capital gains, and negative gearing).\(^\text{13}\)

If the government believes in the principle of public, sustainable, universal healthcare, we must invest more into health, not less. Increased and sustainable access to healthcare and services will improve the health outcomes of the most disadvantaged people and communities. Moreover, the Society strongly believes that taking action on the underlying socioeconomic determinants of health will further enhance the wellbeing of the Australian people and will reduce the long-term cost of healthcare services.


**A broad view of health promotion**

As argued above, it is clear that the most disadvantaged have the highest levels of illness and premature mortality.\(^\text{14}\) Moreover, while poor health is not confined to those worst off, in all countries income and health follow a gradient: the lower the socioeconomic position, the worse the health.\(^\text{15}\) Research confirms that low socioeconomic status directly affects health through lack of material resources (discussed above), and indirectly influences health by contributing to harmful lifestyle practices, such as smoking.\(^\text{16}\) In spite of economic growth and increasing living standards for many Australians, poverty and inequality is still on the rise.\(^\text{17}\) At present, according to the Australian Institute of Health and Welfare, 13% of the population is living in relative poverty.\(^\text{18}\) Combined with an ageing Australia, increased

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\(^{13}\) The St Vincent de Paul Society, *Submission to the Select Committee into the Abbott Government’s Budget Cuts* (August 2014) 6, [at vinnies.org.au/icms_docs/194262_Submission_to_the_Select_Committee_into_the_Abbott_Government_s_Budget_Cuts.pdf](http://vinnies.org.au/icms_docs/194262_Submission_to_the_Select_Committee_into_the_Abbott_Government_s_Budget_Cuts.pdf).

\(^{14}\) WHO, above n 4, 31.

\(^{15}\) Ibid.

\(^{16}\) Fred Pampel and Richard Rogers, ‘Socioeconomic Status, Smoking, and Health: A Test of Competing Theories of Cumulative Advantage’, *Journal of Health and Social Behavior* 45(3) (September 2004) 306-307, [at sites.duke.edu/niou/files/2011/06/7-Pampel_Smoking_OL_20041.pdf](http://sites.duke.edu/niou/files/2011/06/7-Pampel_Smoking_OL_20041.pdf).

\(^{17}\) For an overview, see St Vincent de Paul, *Submission on the Extent of Income Inequality in Australia*, [at vinnies.org.au/page/Publications/National/Submissions/Low-Income_Submissions/Submission_on_the_Extent_of_Income_Inequality_in_Australia/](http://vinnies.org.au/page/Publications/National/Submissions/Low-Income_Submissions/Submission_on_the_Extent_of_Income_Inequality_in_Australia/).

poverty and inequality will see an increasing proportion of the population that is likely to experience negative health consequences, unless action is taken.

The Society’s position on health promotion, preventative health, and early intervention has always been clear. Health is the outcome of a person’s access to the basic socioeconomic determinants like housing, education, employment and health services. Therefore, we believe the government has an obligation not only to provide good quality and universal healthcare, but to provide holistic and wrap-around support to create access to those resources that promote health, and prevent future health problems. This includes housing, social security, education, employment, transport, childcare or the many other elements of social infrastructure. This position is supported by the Australian Medical Association (AMA) position statement on social determinants of health. The statement stresses that it is not enough to treat diseases or modify risk factors (such as smoking), but there also needs to be an increased focus on the social determinants that make these risk factors and subsequent diseases more prevalent. Moreover, better health is not only a benefit in itself, but it reinforces and enables other pro-social outcomes in a “virtuous cycle”. Healthy Australians are more engaged in community and employment, education, and have better housing outcomes and increased psychological resilience.

**Reduced funding costs more**

Research figures from NATSEM show that inaction on the socioeconomic determinants of health is costing Australia’s Budget. According to a recent report, if the World Health Organisation’s recommendations on social determinants were adopted in Australia:

- 500,000 Australians could avoid suffering a chronic illness;
- 170,000 extra Australians could enter the workforce, generating $8 billion in extra earnings;
- Annual savings of $4 billion in welfare support payments could be made;
- 60,000 fewer people would need to be admitted to hospital annually, resulting in savings of $2.3 billion in hospital expenditure;
- 5.5 million fewer Medicare services would be needed each year, resulting in annual savings of $273 million; and

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19 The St Vincent de Paul Society, *Submission to the Senate Standing Committee on Community Affairs to the 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”* (October 2012) 4.


21 Brown, Thurecht and Nepal, above n 7, vii.
• 5.3 million fewer Pharmaceutical Benefit Scheme scripts would be filled each year, resulting in annual savings of $184.5 million each year.

While the Society willingly offers hand-up assistance to those who are in need of help, once again we stress the need for and responsibility of government to invest more in a preventative strategy. The NATSEM figures show that prevention not only vastly improves quality of life for those who would otherwise experience more severe health outcomes, but it is much less costly to individuals, and to us as a nation. Moreover, prevention generates economic and social activity, as people are healthy enough to participate more in employment, education, engage with their communities, and provide care for others.

As a nation, we are not spending enough on health promotion, prevention, and early intervention. Reducing our investment here still further significantly risks highly negative impacts for all Australians, and particularly for those who are experiencing the most disadvantage. Instead, we need more investment in the social determinants of health, and in preventative health. This will benefit us all in the mid- to long-term.

4. Term of reference e. Improvements in the provision of health services, including Indigenous health and rural health.

Indigenous health and rural health in Australia are in crisis. For example, as mentioned above, there is a persistent 10-year gap in life expectancy between Indigenous and non-Indigenous Australians. Worryingly, over the past five years, this gap has only been reduced by 0.8 years for Indigenous males and 0.1 years for Indigenous females.22 Additionally, research has shown that people who live in regional, rural and remote communities have limited access to primary health care services.23 They are more likely to be admitted to hospital for conditions which could have potentially been prevented through the provision of non-hospital services and care.24 As a result, life expectancy for people living in regional areas is 1 to 2 years lower than the average in major cities, and for remote areas it is up to seven years lower.25

The Society has a special position in regional Australia. Our geographical spread is unique and unparalleled. In rural and remote areas, these Society conferences with their related services are often the only option available to people, particularly with the decline in services and centralizing of government departments and agencies in regional Australia.

24 Ibid, xiii-xiv.
We have witnessed the geographic isolation from secondary supports in rural areas, such as hospitals and community health centres, as well as isolation from family and friends. For example, in Victoria in recent years we have been told it has also been very hard to get primary care from psychiatrists in regional areas. A related problem we hear of in regional areas is that support workers are often required to travel large distances to reach clients.

The Society encourages the expansion and improvement of health services to increase healthcare access to Indigenous and rural communities. We also call upon the government to address the structural barriers which perpetuate the unfair distribution of social resources in Australia: the social determinants of health. The Society believes the health and wellbeing of Indigenous communities and rural Australians will improve only if the government commits itself to address the socioeconomic determinants of health, by reducing gaps in all services to rural Australia, particularly in Aboriginal and Torres Strait Islander communities. Good health does not occur by itself: it requires adequate income, access to employment or education, transport, and housing. It also, very importantly, requires a high level of self-determination, a sense of empowerment and a sense of control of one’s life. This is why disempowering and humiliating treatment of people experiencing poverty exacerbates negative health outcomes. Examples of disempowering policies include compulsory income management and the removal of social security benefits from people experiencing unemployment.

Case study: Asylum Seekers

In supporting the health of diverse groups across Australia, government must not ignore the specific needs of refugees and asylum seekers. Australia is one of many countries that receive asylum seekers who have fled their home countries seeking refuge. Research shows that severe mental illness is higher in the newly arrived refugee population than in host communities, due to pre-migration, migration and settlement stresses. This is particularly the case when asylum seekers’ right to housing, education, family reunion, and meaningful employment are violated while they are kept in detention centres, offshore, or in community detention. Among those who have been granted refugee status and are living in the Australian community, some cannot participate in the labour force due to mental illness caused and exacerbated by mandatory detention. More still are excluded from valuable socioeconomic activities due to stigma and discrimination.

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28 The St Vincent de Paul Society, Submission to the Review of Mental Health Services and Programmes (April 2014), at vinnies.org.au/icms_docs/183917_Submission_to_the_inquiry_into_mental_health.pdf.
As a result, poverty, social isolation and discrimination are common experiences among the refugee and asylum seekers communities. Asylum seekers have very little money to expend on their mental health. It is not difficult to imagine the socioeconomic difficulties these individuals are going through. The Society believes that more must be done by government to prevent these individuals’ fragile mental health from deteriorating further. Continuing to cut resources (including recent cuts to the Red Cross, for example) will further exclude these communities, and when combined with the other disadvantages their experience of marginalisation will only increase. As above, the Society calls up on government to invest more on the promotion, prevention and early intervention in health matters, and particularly in asylum seekers’ mental and physical health.

**Case study: Smoking**

One particular area that calls for improvement in the provision of health services is smoking reduction measures and campaigns. While the Society appreciates various measures taken to reduce smoking in Australia, 16.1% of Australians still smoke. Moreover, the costs are predominantly borne by the disadvantaged. The prevalence of high smoking rates in the low socioeconomic communities is not a simple coincidence, but smoking and disadvantage are intrinsically linked: as disadvantage grows, so do smoking rates. In Australia, smoking is closely associated with the Index of Relative Socioeconomic Disadvantage, which is an area measure of socio-economic status and includes such variables as income, education, occupation, household composition, housing, and English fluency of residents.

The social determinants of health approach is borne out in the case of smoking by the fact that groups experiencing social disadvantage have higher rates of smoking. For example, smoking prevalence among Aboriginal and Torres Strait Islander aged 18 years is over three times that of the overall Australian population, at 51%. In 2013, the overall smoking prevalence among sole parents was 36.9%, which was more than twice the rate of smoking in the population. These patterns of higher rates of smoking are replicated across all disadvantaged groups, including those on low incomes, the unemployed, people experiencing mental illness, prisoners, and people experiencing homelessness.

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32 Ibid, 7.
34 Ibid.
High smoking rates increase other health problems while also reinforcing disadvantage. It does this by compounding the barriers already faced by people living in poverty through financial costs, tobacco related illnesses, and premature death. Moreover, the issues extend beyond the individual smoker: smoking affects non-smokers via second-hand smoke, and also tends to be passed from parents and carers to their children.\footnote{Sutherland and Carey, above n 30.}

Research shows that economically disadvantaged Australians do want to quit, and that with support they can quit.\footnote{Jon O’Brien, ‘Tackling Tobacco: Engaging the Social and Community Services Sector to Address Smoking and Disadvantage’, presentation at National Symposium: Smoking and Disadvantage (18 June 2013).} However, this can only achieved through the concerted effort of all stakeholders in the health of our disadvantaged communities.

Therefore, while the Society supports the effort of the government campaign against smoking, it also stresses the need to address the socioeconomic inequalities within our communities as an integral part of early intervention and prevention strategy. The Society believes that the positive results achieved so far in bringing down Australia’s smoking rate are due to the concerted effort of all stakeholders directed at the health and wellbeing of our vulnerable communities. Again the Society calls on the Government to strengthen available supports and make necessary resources available, in order to cut down on the more underlying socio-economic catalysts of smoking.

5. Conclusion

Health is unquestionably a human right. This means universal and affordable access to good quality healthcare for all, including regional and Indigenous Australians, as well as specific campaigns around preventative health, for example the mental and physical health of asylum, seekers, and people experiencing mental illness. However, people who are experiencing socioeconomic disadvantage in Australia today receive less healthcare, and have worse health outcomes than the most affluent. Predictors of poorer physical and mental health include low income, housing stress, lower education, and indigeneity or refugee status.

We believe that the answer to bridging the gap between government’s obligation to provide health services to all citizens, and the current lack of health outcomes for the most disadvantaged, can best be approached through a social determinants lens. We call for a new approach to health in Australia, which recognises these intersectional issues, and properly focuses on community education and early intervention. The Society calls for a \textbf{National White Paper on the Social Determinants of Health}. This work must build on
work previously done in this area,\textsuperscript{37} and must bring together current government and Senate inquiries into welfare, housing, mental health, income inequality, and federalism.

Good health is essential to people’s wellbeing, and as such is essential to participation and economic contribution.

\textsuperscript{37} Eg Department of Health, \url{health.gov.au/internet/publications/publishing.nsf/Content/oatsih-healthplan-toc-determinants}; Social Determinants of Health Alliance, socialdeterminants.org.au/; WHO, \url{whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf?ua=1}. 