



Public Health Association
AUSTRALIA

Public Health Association of Australia submission on Inquiry into Budget Savings (Omnibus) Bill 2016

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Introduction

The Public Health Association of Australia

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles. PHAA is a national organisation comprising around 1900 individual members and representing over 40 professional groups.

The PHAA has Branches in every State and Territory and a wide range of Special Interest Groups. The Branches work with the National Office in providing policy advice, in organising seminars and public events and in mentoring public health professionals. This work is based on the agreed policies of the PHAA. Our Special Interest Groups provide specific expertise, peer review and professionalism in assisting the National Organisation to respond to issues and challenges as well as a close involvement in the development of policies. In addition to these groups the Australian and New Zealand Journal of Public Health (ANZJPH) draws on individuals from within PHAA who provide editorial advice, and review and edit the Journal.

In recent years PHAA has further developed its role in advocacy to achieve the best possible health outcomes for the community, both through working with all levels of Government and agencies, and promoting key policies and advocacy goals through the media, public events and other means.

Vision for a healthy population

The PHAA has a vision for a healthy region, a healthy nation, healthy people: living in an equitable society underpinned by a well-functioning ecosystem and healthy environment, improving and promoting health for all.

Mission for the Public Health Association of Australia

As the leading national peak body for public health representation and advocacy, to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.

Priorities for 2016 and beyond

Key roles of the organisation include capacity building, advocacy and the development of policy. Core to our work is an evidence base drawn from a wide range of members working in public health practice, research, administration and related fields who volunteer their time to inform policy, support advocacy and assist in capacity building within the sector. The aims of the PHAA include a commitment to:

- Advancing a caring, generous and equitable Australian society with particular respect for Aboriginal and Torres Strait Islanders as the first peoples of the nation;
- Promote and strengthen public health research, knowledge, training and practice;
- Promote a healthy and ecologically sustaining human society across Australia, including tackling global warming, environmental change and a sustainable population;
- Promote universally accessible people centered and health promoting primary health care and hospital services that are complemented by health and community workforce training and development;
- Promote universal health literacy as part of comprehensive health care;
- Support health promoting settings, including the home, as the norm;
- Assist other countries in our region to protect the health of their populations, and to advocate for trade policies that enable them to do so;
- Promote the PHAA as a vibrant living model of its vision and aims.

Preamble

PHAA welcomes the opportunity to provide input to Inquiry into Budget Savings (Omnibus) Bill 2016. The reduction of social and health inequities should be an over-arching goal of national policy and recognised as a key measure of our progress as a society. The Australian Government, in collaboration with the States/Territories, should outline a comprehensive national cross-government framework on reducing health inequities. All public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

Health Equity

As outlined in the Public Health Association of Australia's objectives:

Health is a human right, a vital resource for everyday life, and a key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions of society that underpin people's health. The health status of all people is impacted by the social, political, and environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease.

The PHAA notes that:

- Health inequity differs from health inequality. A health inequality arises when two or more groups are compared on some aspect of health and found to differ. Whether this inequality (disparity) is inequitable, however, requires a judgement (based on a concept of social justice) that the inequality is unfair and/or unjust and/or avoidable. Inequity is a political concept while inequality refers to measurable differences between (or among, or within) groups.¹
- Health inequity occurs as a result of unfair, unjust social treatment – by governments, organisations and people,² resulting in macro politico-economic structures and policies that create living and working conditions that are harmful to health, distribute essential health and other public services unequally and unfairly, preventing some communities and people from participating fully in the cultural, social or community life of society.

Social Determinants of Health

The social determinants of health are the conditions in which people are born, grow, live, work and age, including the health system. These circumstances are shaped by the distribution of money, power and resources at global, national and local levels, which are themselves influenced by policy choices. The social determinants of health are mostly responsible for health inequities – the unfair and avoidable differences in health status seen within and between countries. This is particularly pertinent when considering issues such as budget savings.

The determinants of health inequities are largely outside the health system and relate to the inequitable distribution of social, economic and cultural resources and opportunities. Health inequities are the result of the interaction of a range of factors including: macro politico-economic structures and policy; living and working conditions; cultural, social and community influences; and individual lifestyle factors.

PHAA Response to the Inquiry into Budget Savings (Omnibus) Bill 2016

Balancing budget savings with the health of all Australians

A strong economy is important to all countries including Australia. Whilst PHAA commends the government on identifying opportunities to improve the economic outlook of Australia it is vital that any measures implemented do not disproportionately impact on vulnerable populations or increase disparity and that savings made within proposed measures are reinvested to improve the social determinants of health and consequently the health of the Australian population.

Many of the listed measures under the Budget Savings (Omnibus) Bill impact will impact on already vulnerable populations through changes to social security. PHAA strongly advocates for budget savings measures which do not impose further hardship on lower socio-economic groups, rather through increased taxation on unhealthy commodities (see 'Other budget saving measures for consideration' section below) and through an increase in other progressive taxation measures.

Comments on specific measures

PHAA has identified the following measures which have additional potential to impact negatively on Australians:

Minimum repayment income for HELP debts

PHAA believes reducing the threshold for when a person begins to repay their HELP debts to \$51,956 has the potential to negatively impact on people entering in to the workforce.

- **The PHAA believes this threshold idea should be discarded as a budget savings measure.**

Indexation of private health insurance thresholds

As outlined in the Budget Savings (Omnibus) Bill Explanatory Memorandum the right to health is a human right defined by the World Health Organisation and including access to health care and systems of health protection³. It is likely under the proposed indexation that individuals who currently do not reach the threshold for Medicare Levy Surcharge (MLS) will move into a higher income tier and therefore be required to pay the MLS. Within the Budget Savings (Omnibus) Bill Explanatory Memorandum the assertion is that this would encourage a person to purchase PHI.

PHAA strongly advocates that Private Health Insurance (PHI) is an inefficient mechanism for health care service funding and the government funding via the premium rebate is a poor use of substantial public monies which could produce better and more equitable health outcomes by directly funding health care and implementing healthy public policy.

Equity is further eroded by the PHI rebate. There is evidence that, compared to the rest of the population, those with PHI are richer, better educated, more health conscious, in better health and more likely to use certain discretionary health services. Hence, PHI use is generally highest among those with the *least* need for health care.⁴

- **The PHAA advocates for a removal of any support for private health insurance. *THIS WOULD DELIVER A BUDGET SAVINGS OF OVER \$6 BILLION* targeted at those who could most afford it.**

Dental services

PHAA supports the issues raised by the National Oral Health Alliance (NOHA) relating to the proposed changes to the current dental programs. Whilst PHAA commends the government on the proposed guaranteed funding (\$2.1 billion) the planned closure of the Child Dental Benefits Schedule (CDBS) is likely to result in poorer dental outcomes for already vulnerable populations, for example in rural and remote areas where public funded dental services are not regularly available. As a member of NOHA we strongly encourage the CDBS remain but with additional promotion to raise awareness of the program and support further participation of every eligible child. An additional concern is that the proposed changes will place further pressure on the public system resulting in increased waiting times which may limit the amount of preventative dental services accessed by Australians creating poorer dental outcomes in the short and long term.

- **The PHAA considers that closure of the CDBS will provide short-term savings but will increase financial and health impacts over the medium term**

Psychiatric confinement

Removing social security payments to people in psychiatric confinement charged with a serious offence including those who are undergoing assessment of their fitness to stand trial or have been found not guilty due to mental impairment requires further consideration in relation to the potential impact on vulnerable populations including people with a disability and Aboriginal and Torres Strait Islander people.

Numerous submissions made as part of the Senate Standing Committee on Community Affairs Inquiry into the Social Services Legislation Amendment Bill 2015⁵ highlighted that people held in psychiatric confinement have not been convicted of a crime and as Mental Health Australia described have been found “not to be morally culpable due to disability or mental illness, and their differing status under the law reflects this”⁶. The current proposed changes has significant potential to impact on the health and wellbeing of those living with a mental illness and in psychiatric confinement particularly in regards to socio-economic determinants.

- **The PHAA opposes the savings on psychiatric confinement**

Closing carbon tax compensation to new welfare recipients

PHAA supports the Australian Council of Social Services (ACOSS) position regarding cuts to the Energy Supplement. As ACOSS highlighted in their letter to the Prime Minister this proposed cut will impact 2.2 million families with the lowest incomes, placing already vulnerable groups below the poverty line⁷. Budget savings measures should not reduce incomes of the lowest socio-economic groups in Australia. As highlighted health is greatly related to the inequitable distribution of social, economic and cultural resources and opportunities. It is likely that reducing the income of these vulnerable groups will further decrease their health and wellbeing resulting in long term costs to social security and health systems.

- **The PHAA opposes this measure as a regressive and unfair approach**

Other budget saving measures for consideration

As outlined above PHAA recognises the need for budget measures which strengthen the Australian economy and ensure fiscal growth in to the future. The need for a strong economy must however be balanced with ensuring any proposed measure does not impact unfairly on the Australian population. Proposed changes within the Budget Savings (Omnibus) Bill are likely to disproportionately impact on populations within Australia who are already disadvantaged or otherwise vulnerable to policy changes relating to the distribution and access to resources; including social and economic.

Other revenue measures should be considered by the government that will not only improve the economic outlook for Australia but have significant potential to improve the health and wellbeing of all Australians.

Increase of unhealthy commodities taxation

In particular, we advocate for increased taxation of unhealthy commodities (tobacco, alcohol and sugar). Australia have been world leaders in relation to tobacco taxation with this measure also providing for hypothecation and redistribution of funding to initiatives which improve the health of Australians, reducing health care costs in the future.

Taxes on alcohol and sugar; in particular sugar-sweetened beverages, would provide increased revenue for the Australian government. Sugar taxes on sweetened beverages have been estimated to generate around \$400 million each year and reduce the number of new type 2 diabetes cases resulting in reduced health care costs in the short and long term⁸. Taxation on alcohol particularly via volumetric taxation increases revenue and reduces health costs through reducing alcohol consumption and consequent harms among vulnerable groups⁹.

Conclusion

PHAA supports the need for economic stability in Australia and the broad need for budget savings. However, we are keen to ensure that any measures introduced do not disproportionately impact on the social determinants of health of all Australians; including already vulnerable populations, in line with this submission. We are particularly keen that the following points are highlighted:

- Budget savings measures must not impose further hardship on lower socio-economic groups, particularly those receive social security payments
- Increasing taxation on unhealthy commodities provides significant opportunity for the Government to increase revenue and improve the overall health and wellbeing of the Australian population
- Significant savings of \$6 billion can be made by removal of the Private Health Insurance Rebate. This approach would be a measure focussed on wealthier rather than vulnerable Australians.

The PHAA appreciates the opportunity to make this submission and the opportunity to provide comment on the Budget Savings (Omnibus) Bill.

Please do not hesitate to contact me should you require additional information or have any queries in relation to this submission.



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