

# CLOSE THE GAP

## Position paper on the Federal Budget 2015

### Context

Closing the gap in health equality between Aboriginal and Torres Strait Islander people and other Australians is an agreed national priority. On this year's National Close the Gap Day there was a record 1,596 events held across the country. The nation wants continued focus and action in order to close the unacceptable health and life expectancy gap. This requires continued and long-term investment.

The Close the Gap Campaign's *Progress and priorities report* (the Executive Summary is contained in appendix 1) demonstrates that there is a real opportunity to make relatively large health and life expectancy gains in relatively short periods of time with a targeted focus on greater access to primary health care services to detect, treat and manage chronic health conditions in Aboriginal and Torres Strait Islander communities. Evidence also suggests that health is critical to achieving better education and employment outcomes and creating safer communities for Aboriginal and Torres Strait Islander communities.

All political parties have committed to end the health equality gap by 2030, supported by almost 200,000 Australians who made the pledge. With 15 years to go, we need to build on success. We need to continue the national effort as a priority and we need to expand and strengthen these efforts with bold policy initiatives supported by continued long-term investment in Aboriginal and Torres Strait Islander health.

### Budget priorities

The Close the Gap Campaign believes that the Federal Budget 2015-16 should quarantine the Close the Gap funding against any further reductions and contain the following:

#### **1) Address the measures creating a potential negative impact on Closing the Gap from the Federal Budget 2014-15 including:**

##### **Restore the Close the Gap funding to previous levels**

An estimated total of \$270 million has been cut from what was previously committed for the next three years for Indigenous primary health care services and chronic disease self-management programmes. These cuts occur at a time when these services are starting to have an effect in helping close the health and life expectancy gap. Closing the Gap is a long-term objective and continuity of funding is vital for success, therefore funding needs to be restored to at least the previous level. The importance of smoking programmes and the effects of cuts are outlined below.

##### **Tackling Indigenous Smoking programme**

Restore cuts of up to \$130 million over 5 years from the Tackling Indigenous Smoking programme. The 'freeze' on recruitment of staff to the Tackling Smoking and Healthy Lifestyle Teams, which are central to delivery of the programme, must be overturned. Following a review, the future shape of the programme is still to be announced.

There is a clear link between smoking and poor outcomes in birth weight, child mortality and life expectancy. The freeze on recruitment reduces the reach of the programme, undermines the momentum built to date, and erodes the programme's goodwill developed with Aboriginal and Torres Strait Islander communities.

The reduction in Aboriginal and Torres Strait Islander smoking rates by 10 percent over the last decade, as well as the marked increase in the number of Aboriginal and Torres Strait Islander people not taking up smoking, demonstrates that efforts to cut smoking rates are working and that further gains are possible.

### **National Indigenous Drug and Alcohol Committee**

Revisit the decision to discontinue the National Indigenous Drug and Alcohol Committee as the cost of the Committee is minor compared to its major impact on and relevance to major issues of importance to the health of Aboriginal and Torres Strait Islander peoples.

### **The creation of the Indigenous Australians' Health Programme**

Current funding formulae for Aboriginal health are outdated, and result in maldistributed and inequitable services unrelated either to population size or service need and demand. Further, the failure of mainstream services to deliver effective services for Aboriginal and Torres Strait Islander people lies at the heart of continuing Indigenous disadvantage. The Campaign Steering Committee supports a new funding formula for Aboriginal and Torres Strait Islander health services that is developed with the full and effective participation of Aboriginal and Torres Strait Islander peoples and their representative organisations.

The formula must be indexed for population growth and inflation, be geographically equitable and focus on areas with poor health outcomes and inadequate health services. Further, the evidence that demonstrates that ACCHS have inherent advantages as the provider of choice in terms of both better access and higher quality of service should be utilised in developing this funding allocation. New administrative mechanisms are required to ensure that Aboriginal and Torres Strait Islander people receive a share of mainstream programmes that is equitable in terms of their population size and programme need. Shortfalls are best redressed by directing funds to services which provide the best return on investment in terms of access and service quality - and the evidence is that ACCHS services generally outperform mainstream services.

### **Mainstream measures likely to have a disproportionate impact on Aboriginal and Torres Strait Islander peoples**

The 2014-15 Budget and subsequent related developments also contains a number of proposed 'mainstream' measures that, if passed into law, will likely have a disproportionate impact on Aboriginal and Torres Strait Islander health. These include:

The Campaign continues to be concerned about 'mainstream' measures flagged in the Budget 2014-15 that, if passed into law, may have a disproportionate impact on Aboriginal and Torres Strait Islander health. These include:

- Any reforms to the Medicare system should be designed to ensure they do not further entrench existing barriers to equitable health care access for Aboriginal and Torres Strait Islander peoples;
- Cuts to preventative health programmes in the Budget 2014-15. Preventative health initiatives have significant impacts on Aboriginal and Torres Strait Islander peoples because of the negative effect this will have on addressing chronic disease; and
- The reduction in the Commonwealth's contribution for funding hospitals.

## **2) Implementation of the National Aboriginal and Torres Strait Islander Health Plan**

The Australian Government is currently finalising the Implementation Plan for the *National Aboriginal and Torres Strait Islander Health Plan* (Health Plan).

The Campaign Steering Committee believes that the Implementation Plan requires the following essential elements:

- Set targets to measure progress and outcomes. Target setting is critical to achieving the COAG goals of life expectancy equality and halving the child mortality gap;

- Develop a model of comprehensive core services across a person's whole of life including end of life care with a particular focus, but not limited to, maternal and child health, chronic disease, and mental health and social and emotional wellbeing; and which interfaces with other key service sectors including, but not limited to, drug and alcohol, aged care and disability services;
- Develop workforce, infrastructure, information management and funding strategies based on the core services model;
- A mapping of regions with relatively poor health outcomes and inadequate services. This will enable the identification of service gaps and the development of capacity building plans, especially for ACCHS, to address these gaps;
- Identify and eradicate systemic racism within the health system and improve access to and outcomes across primary, secondary and tertiary health care;
- Ensure that culture is reflected in practical ways throughout Implementation Plan actions as it is central to the health and wellbeing of Aboriginal and Torres Strait Islander people;
- Include a comprehensive address of the social and cultural determinants of health; and
- Ensure the development and implementation of the *National Strategic Framework for Aboriginal and Torres Strait Islander Peoples' Mental Health and Wellbeing 2014-2019* as a dedicated mental health plan for Aboriginal and Torres Strait Islander peoples, and in coordination with the implementation of the *National Aboriginal and Torres Strait Islander Suicide Prevention Strategy* and the *National Aboriginal and Torres Strait Islander Dug Strategy*.
- Establish partnership arrangements between the Australian Government and state and territory governments and between ACCHS and mainstream services providers at the regional level for the delivery of appropriate health services.

The Implementation Plan is capable of driving progress towards the provision of the best possible outcomes from investment in health and related services. As such the Federal Budget should:

- Ensure ongoing funding for an oversight committee whose function is to constantly monitor results in order to continuously improve the quality, effectiveness and efficiency of the health services in the plan and accountable to both COAG and the National Health Leadership Forum;
- Fund the process required to develop the core services model and the associated workforce, infrastructure, information management and funding strategies based on the core services model; and
- Ensure Aboriginal and Torres Strait Islander health funding is maintained at least at current levels until the core services, workforce and funding work is finalised, with provision of a more considered view of funding requirements and issues.

### **3) Building the capability of the ACCHS sector**

The ACCHS sector provides inherent advantages for Closing the Gap. Firstly its service model is the provision of comprehensive primary health care. This model of care is needed because of the higher levels of illness, earlier age of onset of illness, the much greater levels of comorbidity in Aboriginal and Torres Strait Islander people - and the need to address the fundamental determinants of health if the gap is to be closed.

As stated earlier, the ACCHS sector offers considerable advantage in terms of access to services and proven advantages in the detection and management of chronic disease. In addition, the ACCHS sector is a major employer of Aboriginal and Torres Strait Islander

people at all levels of skill. In many Aboriginal and Torres Strait Islander communities the ACCHS operates as the primary employer.

ACCHS services were established because of the inability of mainstream services to deliver for Aboriginal and Torres Strait Islander people and have a critical role to play in closing the Gap. However a long term plan for building the capabilities of ACCHS services is overdue. Such a plan should target areas with relatively poor health outcomes and insufficient or inadequate services and take into account capital costs for infrastructure and workforce development needs.

Further ACCHS should be funded to establish mental health and social and emotional wellbeing teams that are linked to Aboriginal and Torres Strait Islander special mental health services. This will form a key component of the implementation of the *National Strategic Framework for Aboriginal and Torres Strait Islander Mental Health and Social and Emotional Wellbeing* as a dedicated mental health plan.

#### **4) Funding national and jurisdictional Aboriginal and Torres Strait Islander health organisations**

ACCHS representative bodies at the national and state level and national Aboriginal and Torres Strait Islander health workforce, research and healing and wellbeing organisations provide critical leadership in the health sector. These organisations are important change drivers for improving health outcomes and community empowerment. They also provide support and development for health professionals in front line services to improve access and health outcomes. Ongoing funding for these organisations is an essential component of the national effort to close the gap.

#### **5) Agreements with the states and territories**

The Campaign Steering Committee believes there is a need for immediate Australian Government leadership to ensure a consistent national approach in the implementation of the Closing the Gap Strategy.

In this regard the Australian Government must work with States and Territories to forge new stronger and nationally consistent agreements (whether struck nationally or bilaterally) to continue the Closing the Gap Strategy.

#### **6) The Indigenous Advancement Strategy (IAS)**

Reinstate the \$534.4million over five years cut from the Indigenous Affairs budget through programme rationalisation. The Campaign Steering Committee supports the reduction of red tape and duplication. However, the lack of detail how these cuts will apply and their impact on services and health outcomes is an ongoing concern. The Campaign is concerned that these cuts will have a negative impact on outcomes across the social determinants including education and employment outcomes.

The Campaign notes that the recent round of IAS funding has resulted in widespread distress in Aboriginal and Torres Strait Islander-controlled organisations for a variety of reasons:

- The IAS process marked a shift to a competitive tender process. Many organisations did not anticipate this and were not prepared for this change of direction. Many organisations did not have the capacity or the resources to put together the kind of application required by the tender process and felt that they lacked support during the process. In some cases at least, the organisations serving the greatest need, may be in a relatively weak position in a competitive tendering process.
- The impact of the competitive process is also uncertain, in particular, whether this process had a disproportionate negative impact on Aboriginal and Torres Strait Islander-controlled

organisations. The publicly available list of organisations recommended for funding indicates that a large number of non-Indigenous organisations were successful.

- Questions remain whether the competitive process adequately considered a detailed understanding of community need as a critical criteria including: prioritisation of Aboriginal and Torres Strait Islander-controlled organisations and cultural competence as part of the selection criteria.
- Short term funding and ongoing uncertainty has negatively affecting recruitment and strategic planning.
- That the funding round will potentially result in services gaps.

The Campaign Steering Committee is concerned the funding cuts in combination with the IAS funding round will have a negative impact on outcomes across the social determinants including education and employment outcomes.

The Campaign Steering Committee therefore calls on the Government to work with Aboriginal and Torres Strait Islander peoples and their representative organisations to address the concerns detailed above.

### **7) Remote communities**

The Campaign Steering Committee is very concerned as to the announcement of potential closure of remote area Aboriginal communities in Western Australia as a consequence of the Federal Government reducing funding for basic infrastructure. This has clearly alarmed Aboriginal and Torres Strait Islander people throughout Western Australia and the nation as a whole. This policy, and the insecurity around IAS funding, is undermining the trust of Aboriginal and Torres Strait Islander peoples and is therefore putting the Federal Government's Indigenous Affairs policy agenda at risk.

Closing communities is at odds with the nation's commitment to Closing the Gap as it is clear from research that health outcomes for those living on country are more positive than those who live in towns/cities. The decision to transfer responsibility of remote areas to states without consultation with communities and particularly before the Federalism Review and its implications for Aboriginal and Torres Strait Islander affairs has been considered is premature and injurious for Aboriginal and Torres Strait Islander peoples.

We therefore recommend that no action be taken until:

- The health and wellbeing impacts, as well as implications for other matters such as native title rights, of such closures are properly and independently assessed;
- The Federalism Review process has been completed and therefore that;
- The Federal Government works with the Western Australian government to ensure that current levels of support for remote area communities are maintained.

### **8) Census**

The Campaign Steering Committee is of the view that a proposal to move from five year census intervals to ten year census intervals will have deleterious effects on the availability of information for rural populations in general and Aboriginal and Torres Strait Islander people in particular. The proposed methods for provision of intercensal estimates through administrative datasets are likely to be unable to estimate the characteristics of scattered small populations. Further, administrative datasets for Aboriginal and Torres Strait Islander people are generally unreliable due to incomplete identification of Aboriginal and Torres Strait Islander people. This proposed change will have a major deleterious impact on the ability to monitor the effectiveness of the Implementation Plan for the Health, particularly since it is important in the early stage of implementation to have up to date information about which elements of the Health Plan are working satisfactorily, and which need further action.

The Campaign Steering Committee recommends that the impact of the proposal to move to a ten yearly census interval on the estimates for Aboriginal and Torres Strait Islander people be considered before any final decision is made on any change in the census frequency.

### **9) *Review of contracting mechanisms***

The Campaign Steering Committee believes that the Federal Government should move to a preferred provider contracting mechanism rather than competitive arrangements, both in general, and in relation to funding directed to Primary Health Networks. This should be guided by the evidence base that Aboriginal and Torres Strait Islander organisations provide the best value.

Current contracting processes have led to inefficient, inequitable and maldistributed health services. Evidence indicates that ACCHS outperform mainstream services in terms of identification of at risk patients and appropriate prevention and treatment. The Campaign Steering Committee recognises that fiscal constraints of the budgetary environment and the important public policy principle that funds should be directed to services which will have the greatest impact in terms of access and quality (ie ACCHS). Administrative mechanisms for funding should support the achievement of best results and standard preferred provider mechanisms are appropriate for this purpose.

Further, bid driven processes perpetuate inequities and maldistribution when the focus needs to be on areas with relatively poor health and inadequate services. The Campaign Steering Committee believes that funding priority should be directed to services which can produce the best results (default being ACCHS unless convincing evidence that alternative arrangements can produce better results than through strengthening ACCHS).

### **10) *National Disability Insurance Scheme***

The National Disability Insurance Scheme is adequately resourced to ensure it properly and equitably is able to support Aboriginal and Torres Strait Islander people with long term mental health conditions that qualify as a disability for the purposes of the scheme.

### **11) *National Aboriginal and Torres Strait Islander Suicide Prevention Strategy***

The Australian Government has committed approximately \$18million to the implementation of the *National Aboriginal and Torres Strait Islander Suicide Prevention Strategy*. This funding commitment should be maintained and quarantined from any future budget cuts.

## **Appendix 1: Executive Summary of the Close the Gap Campaign's Progress and priorities report 2015**

The Campaign Steering Committee welcomes the absolute gains in Aboriginal and Torres Strait Islander life expectancy from 2005-2007 to 2010-2012. Over that five-year period, life expectancy is estimated to have increased by 1.6 years for males and by 0.6 of a year for females. But a life expectancy gap of around ten years remains for Aboriginal and Torres Strait Islander people when compared with non-Indigenous people.

Both the modesty of the gains, and the magnitude of the remaining life expectancy gap remind us why the Council of Australian Governments' (COAG) Closing the Gap Strategy and the target to close the life expectancy gap by 2030 was needed. It remains necessary today. But we must also keep in mind that closing the life expectancy gap requires time. The Closing the Gap Strategy was operationalised in July 2009 and the latest data we have is from 2012-2013. This is too short a time to adequately assess the progress of this Strategy in achieving outcomes.

Instead, the Campaign Steering Committee looks to reductions in smoking rates, improvements to maternal and child health outcomes and demonstrated inroads into the impact of chronic diseases as evidence that the Closing the Gap Strategy is working.

The findings of the *National Aboriginal and Torres Strait Islander Health Measures Survey* (NATSIHMS), the largest biomedical survey ever conducted among Aboriginal and Torres Strait Islander people, are critical. The survey identified high levels of Aboriginal and Torres Strait Islander people with undetected treatable and preventable chronic conditions that impact significantly on life expectancy. Armed with this data, the Campaign Steering Committee believes the nation now has an enhanced ability to make relatively large health and life expectancy gains in relatively short periods of time.

To do this, there needs to be a ***much greater focus on access to appropriate primary health care services to detect, treat and manage these conditions***. And the evidence is that Aboriginal Community Controlled Health Services (ACCHS) provide the best returns on investment in terms of providing both access to health services and the quality of those services.

As such, this report affirms the need to keep on track with the Closing the Gap Strategy and, with patience, many indicators suggest improvements to life expectancy will be seen in time. Any reduction in effort or momentum will squander the investment we have made as a nation up until now.

The comparison between the life expectancy of Maori peoples and Aboriginal and Torres Strait Islander peoples is illustrative. In 2010-12 an increase of approximately four years has been reported for the Maori life expectancy over the previous decade. But this occurred after two decades of effort in New Zealand. This demonstrates that substantial change is possible but it takes sustained and continuous effort.

The Campaign Steering Committee emphasises the need to ensure that potential changes in Commonwealth-State relations do not have the unintended effect of undermining the Closing the Gap Strategy. While recognising that all jurisdictions have a responsibility to contribute, the Campaign Steering Committee firmly supports the Australian Government's continuing leadership role in an overall national approach.

The Campaign Steering Committee recognises the value in the new Indigenous Affairs priorities of the Australian Government: education, employment and community safety. But there are concerns. In particular, a clearer connection between the Indigenous Advancement Strategy and the Closing the Gap Strategy will enhance both policies. Employment, education and community safety are drivers of improved health and wellbeing. However, good health is equally important to employment, education and community safety. Further, the health sector is the biggest employer of Aboriginal and Torres Strait Islander people and increased investment in health services will result in increased employment.

The Campaign Steering Committee is also concerned that hard won Aboriginal and Torres Strait Islander health gains could be negatively impacted by proposed measures contained in the 2014-15 Budget. Cuts to the Tackling Indigenous Smoking programme are of particular concern and could hinder the significant progress made in reducing Aboriginal and Torres Strait Islander smoking rates in recent years. Investment in early prevention activities saves on the provision of complex care into the future. These programmes also address and have started to make inroads into primary prevention, particularly in healthy eating, nutrition and physical activity.

The development of the Implementation Plan for the *National Aboriginal and Torres Strait Islander Health Plan* (Health Plan) will be pivotal in our shared efforts to close the gap. It provides an opportunity to increase the quality and efficiency of services, address service gaps by building on the existing capacity of ACCHS, and to expand the Aboriginal and Torres Strait Islander health workforce.

The Campaign Steering Committee remains steadfast in its belief that the road to closing the health gap is embodied in the *Close the Gap Statement of Intent* signed by the Australian Government and most state and territory governments. The *Close the Gap Statement of Intent* commits parties to genuine partnerships with Aboriginal and Torres Strait Islander peoples, ensuring appropriate evidence based health services, strengthening the ACCHS sector, effective planning and the use of targets, and addressing the social determinants of health.

**The Close the Gap Campaign Steering Committee recommends:**

1. That the findings of the *National Aboriginal and Torres Strait Islander Health Measures Survey* (NATSIHMS) are used to better target chronic conditions that are undetected in the Aboriginal and Torres Strait Islander population. In particular, access to appropriate primary health care services to detect, treat and manage these conditions should be increased. Aboriginal Community Controlled Health Services should be the preferred services for this enhanced, targeted response.
2. That the Australian Government should continue to lead the COAG Closing the Gap Strategy.
3. That the Australian Government revisit its decision to discontinue the National Indigenous Drug and Alcohol Committee.
4. That connections between the Indigenous Advancement Strategy and the Closing the Gap Strategy are clearly articulated and developed in recognition of their capacity to mutually support the other's priorities, including closing the health and life expectancy gap.
5. That the Tackling Indigenous Smoking programme is retained and funding is increased above current levels to enable consolidation, improvement and expansion of activities until the gap in the rates of smoking between Aboriginal and Torres Strait Islander and non-Indigenous people closes.
6. That proxy indicators are developed to provide insights into the use and availability of health services on Aboriginal and Torres Strait Islander health and life expectancy outcomes.
7. The *National Strategic Framework for Aboriginal and Torres Strait Islander Peoples' Mental Health and Social and Emotional Wellbeing* provides the basis for a dedicated Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing plan. This is developed and implemented with the *National Aboriginal and Torres Strait Islander Health Plan*, the *National Aboriginal and Torres Strait Islander Suicide Prevention Strategy 2013* and the *National Aboriginal and Torres Strait*



*Islander Peoples' Drug Strategy* implementation processes in order to avoid duplication, be more efficient, and maximise opportunities in this critical field.

8. That Closing the Gap Targets to reduce imprisonment and violence rates are developed, and activity towards reaching the Targets is funded through justice reinvestment measures.
  
9. That the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan include the following essential elements:
  - Set targets to measure progress and outcomes;
  - Develop a model of comprehensive core services across a person's whole of life;
  - Develop workforce, infrastructure, information management and funding strategies based on the core services model;
  - A mapping of regions with relatively poor health outcomes and inadequate services. This will enable the identification of services gaps and the development of capacity building plans;
  - Identify and eradicate systemic racism within the health system and improve access to and outcomes across primary, secondary and tertiary health care;
  - Ensure that culture is reflected in practical ways throughout Implementation Plan actions as it is central to the health and wellbeing of Aboriginal and Torres Strait Islander people;
  - Include a comprehensive address of the social and cultural determinants of health; and
  - Establish partnership arrangements between the Australian Government and state and territory governments and between ACCHS and mainstream service providers at the regional level for the delivery of appropriate health services.