



Submission to the Senate Economic References Committee
Inquiry into

Regional Inequality in Australia



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CONTENTS

	Page
About RDAA	2
Contact for RDAA	2
Executive Summary	3
Recommendations	4
Background	5
Key Issues	6
Response to Terms of Reference	10
Conclusion	14
Endnotes	15

ABOUT RDAA

RDAA is the peak national body representing the interests of doctors working in rural and remote areas and the patients and communities they serve.

RDAA's vision for rural and remote communities is simple – excellent medical care.

This means high quality health services that are:

- patient-centred
- continuous
- comprehensive
- collaborative
- coordinated
- cohesive, and
- accessible

and are provided by a GP-led team of doctors and other health professionals who have the necessary training and skills to meet the needs of their communities.

CONTACT FOR RDAA

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EXECUTIVE SUMMARY

Australia is, by world standards, a prosperous nation with a healthy, well-educated population. Yet there are a number of population groups within this country that are not as well off as others. Increasing inequality of income and wealth and a widening gap between the top and bottom of the socio-economic scale is evident¹.

This has significant impact in rural and remote areas where people are already experiencing higher rates of poverty² and significantly poorer health outcomes than those who live in metropolitan areas. Many social determinants markers – including for education, employment and housing – indicate significant inequalities between regions. Inequalities being experienced by Aboriginal and Torres Strait Islander people though well recognised, are persistent and reflected in unacceptably high rates of many preventable conditions and mortality gaps between Indigenous and other Australians.

RDAA believes that:

- The health of individuals, families, communities and populations is both an indicator of and contributor to regional inequality in Australia.
- Inequitable allocation of health funding and resources exacerbates inequality in these areas.

The inequities and inequalities in health that exist between more urban and rural and remote people is antithetical to the national characteristics valued by Australians and must be a central concern of any examination of regional inequality. The good health and wellbeing of rural and remote Australians will also be critical to achieving and sustaining regional growth.

The role of human capital in determining economic growth is particularly important in discussions about regional inequality and has significant implications for the health system. Governments recognise that they have a duty of care to provide health care services to the population and often espouse the need to provide these services close to home. However, ad hoc investment at all levels of government – a function of Australia's tiered health funding system and political expediency – fails to translate rhetoric into reality. Bipartisan strategic and operative planning underpinned by adequate levels of investment is essential to redress inequities and reduce regional inequalities.

RECOMMENDATIONS

RDAA makes the following policy recommendations to help address inequality between regions:

- recognise that addressing health and wellbeing inequities and inequalities is central to addressing regional inequality more broadly
- analyse access to health services in Australia using the Modified Monash Model remoteness scale to more accurately reflect community access
- provide better access to health services in rural and remote areas by:
 - investing in models of care which provide critical services in local communities, including expanding renal dialysis services
 - allocating sufficient funding to develop the National Rural Generalist Pathway to ensure rural and remote people have access to doctors with the advanced skills they need
 - working with rural doctors to identify effective support mechanisms for general practices as providers of health services, employers and contributors to local economies
 - developing specific agreements on rural hospital funding through the Council of Australian Governments national health agreements process directed to maintaining rural hospital services and providing incentives for increasing services
 - institute funding models that support sustainable health services and health workforce retention
- further develop cross-government and cross-departmental strategies to improve health outcomes, particularly in relation to child health
- develop a transport policy which aligns with health and education needs.

BACKGROUND

Australia's regional, rural and remote areas comprise a diverse range of communities with economies based on activities such as agriculture, forestry, fishing/aquaculture, mining and tourism that make a significant contribution to the nation's wealth and prosperity³. However, this contribution is not recognised through equitable spending on health in these areas. The National Rural Health Alliance estimates a rural and remote primary health care deficit of over \$2 billion each year⁴.

This inequitable allocation of funds is of significant concern. People living in Australia's rural and remote regions experience high rates of poverty⁵. Socio-Economic Indexes for Areas (SEIFA) mapping reveals large swathes of rural and remote Australia are in the most disadvantaged categories with the ten most disadvantaged having populations of under 3700 usual residents within the Local Government Area⁶.

Rural and remote Australians experiencing these disadvantages often interact with many different areas within the health and human services systems, most often in disconnected ways. Lack of access to services is a pervasive problem, which becomes more difficult with the degree of remoteness and contributes to generally poorer health outcomes as evidenced by higher rates of mortality and morbidity and risky health behaviours. Risks of occupational accidents and injury are also higher⁷. Although the prevalence of many mental illnesses is similar across Australia, suicide and self-harm rates are much higher (especially for males) in rural and remote areas⁸. Accessing all types of health professionals becomes increasingly more difficult with remoteness, contributing to these poorer health outcomes. Recruitment and retention of an appropriately qualified health workforce continues to be difficult in many areas resulting in a maldistribution of health professionals.

KEY ISSUES

Clearly, the health profile of rural and remote Australia is indicative of regional inequality. Health disparities compromise the capacity of many rural and remote Australians to engage in social and economic activities, including those necessary to generate income and wealth, and limit the benefits that human capital can provide. Poor health, therefore, is also a contributor to other regional inequalities.

The key issue impacting on this situation is access. Access – to health care and to other services and opportunities – is a critical factor in determining the desirability of a location as a place to visit, to live, to work, to bring up children or to retire to. Access to high quality health care, including to a general practitioner (GP), affects the appeal of a rural and remote location as a place to live regardless of age or life stage.

The availability of birthing services in rural areas provides an example of the impacts that access to health care, or lack thereof, can have on rural people and communities as they underpin many activities in these communities.

People who choose to live in rural and remote communities have rational expectations about what constitutes reasonable access to health care. For many women access to birthing services strongly influences their judgements about the quality of health services in a community.

All hospital services should be prepared for an imminent birth. As communities increase in size (and with consideration given to the distance to the next birthing service) rural hospitals may increase their capacity to provide birthing services from low-risk deliveries staffed by midwives and Rural Generalists, to birthing services which have 24-hour emergency and caesarean capability staffed by midwives and Rural Generalists with advanced skills in obstetrics and/or anaesthetics.

However, birthing services are not routinely provided in all rural hospitals. Those that do not provide these regular services are deemed to have significant risks by expectant mothers and women intending to have children. Ensuring that these services exist in local hospitals also ensures that there are doctors trained in obstetrics and midwives in the town who are able to provide the continuum of antenatal, perinatal and postnatal care.

The closure of a birthing facility requires women (and their newborns) to travel for appointments. It can increase a two-hour trip to a hospital birthing centre to have their baby to five or more hours for some women. They may



also be, and often are, asked to relocate to a town or city with a birthing facility two to four weeks (and sometimes more) prior to their due date. This places considerable financial and other imposts on expectant mothers, their partners and families. Lack of access to birthing services can force women to permanently relocate to other towns to start or add to their families contributing to the social and economic decline of rural communities.

It also means that midwives and the GP obstetrician will likely leave the community to go where they can use their training, further stripping rural communities of skills, opportunities for employment of support staff and income derived by other local businesses.

Rural and remote doctors have also identified a range of other factors that impact on whether they will move to a rural location. They are all indicative of regional inequality and are likely to be of similar concern for others. They include:

- *employment issues*

Employment opportunities are fundamental to thriving rural and remote communities. Young people are more likely to stay in, or return to, a community that can offer job prospects. Others are more likely to be attracted to and retained in communities with sufficient opportunities to meet not only their needs but also those of their spouse/partner.

Employment considerations, however, are not just about job vacancies. Lack of access to personal and professional support, to continuing professional development and to career progression opportunities can also detract from the desirability of a location.

- *lack of access to high quality childcare, schooling and other educational opportunities*

Access to high quality childcare, schooling and other educational opportunities is limited or non-existent in many rural and remote communities. Access to childcare can be very difficult for health care workers who, through moving to a rural or remote location, have reduced family and friend support. They may require childcare outside business hours due to the 24/7 nature of many health care services.

Schooling also poses challenges, particularly during the secondary school years where the availability and choice of subjects and extra-curricular



activities to suit individual children, as well as educational standards, are important. Sending children to boarding school becomes the only feasible option but can impact on family relationships and is expensive.

Lack of access to vocational and tertiary education opportunities means that young people often move to where these opportunities exist. This impacts negatively on population retention and the economic viability and social vibrancy of rural and remote communities. This contributes to continuing inequality.

- *poor transport links*

The “tyranny of distance” is a well-recognised challenge for those who live in rural and remote communities. Poor access to quality fresh food at an affordable price is an ongoing issue, as is the need to travel for health services. These challenges can be addressed to minimise the negative impacts of regional inequalities.

There are examples, such as renal dialysis, where new models of service delivery allow for services to be delivered in rural and remote communities. Without this local facility, rural and remote renal patients must endure travelling to a distant facility three times a week, which has a significant impact on their physical and mental health. This is only feasible if patients have access to private transport. Reliance on public transport and/or air travel significantly increases financial costs and time away from home, family and community. Air travel may not be possible at all if there is no airport within a reasonable distance.

For rural and remote communities to be vibrant and thriving they must be underpinned by better access to health services, employment opportunities, childcare and educational opportunities and transport. Without this people will either choose not to live in these communities or to relocate to meet their personal and professional welfare needs and those of their families further increasing the impacts of regional inequality on those that stay. Investment by all levels of government will be necessary to avoid this.

Regional development can reduce levels of inequality in health in rural and remote Australia through strategic and operative planning. Plans must be mindful of the impact social, cultural and environmental determinants of health have on people and of the complex interrelationship of health services with other social and community services. They must acknowledge



the role of general practices within this context and be supported by adequate levels of investment.

Investment in health and social services adequate to redress health inequities and reduce inequality continues to be an issue for those delivering these services, as are funding arrangements that are commonly based on relatively short-term cycles. Such arrangements are deleterious to the provision of health care and social services in rural and remote areas leading to uncertainty and workforce instability. This greatly increases the risk of service closure as it is far more difficult to recruit and retain qualified personnel in these areas. Health funding mechanisms that recognise the unique challenges that exist in rural and remote communities are essential for efficient and effective planning.

Rural and remote general practices are the cornerstone of rural and remote health, with GPs providing and coordinating team-based, comprehensive, continuous and longitudinal care, which is based around the needs of patients, families and communities. They deliver pre-conception to palliative aged care and acute and emergency services in a range of settings, including private practices, hospitals, aged care and outreach centres. They are also small businesses, providing employment within the local area, supporting other local businesses and services and contributing to the highly regarded health system that is essential to strong tourism sector.

Investing in rural and remote general practices would be beneficial both to redress regional health inequities and inequalities and to support local economies.

RESPONSE TO TERMS OF REFERENCE

- *fiscal policies at federal, state and local government levels*

Governments have a duty of care to provide reasonable access to health services to the population: a responsibility that cannot be abrogated because of budgetary pressures. Spending on health should not be contracted simply because it is expedient to do so in fiscally challenging times. While value for money must be a consideration for policy makers and funding providers, health expenditure must be seen as an investment in the future prosperity of the nation, not as a cost to be minimised. Governments' health expenditure must be set at realistic levels to achieve desired health outcomes, not only to support the good health and wellbeing of Australians but also to underpin the nation's economy and growth.

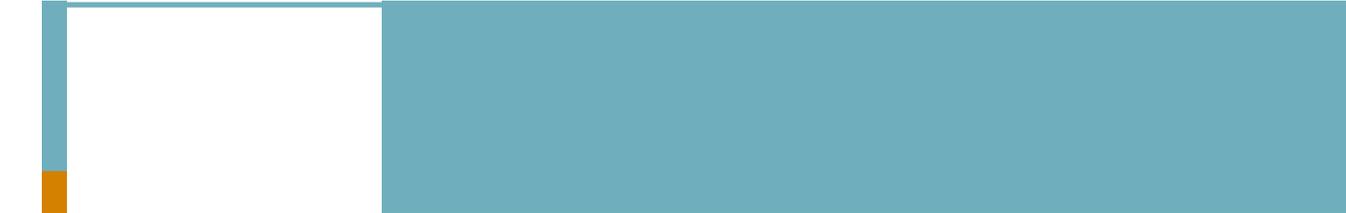
- *improved co-ordination of federal, state and local government policies*

As demonstrated by Australia's tobacco control successes, the best health outcomes are derived from co-ordinated national, state/territory and local activities⁹ but there are few readily available examples of effective co-ordination in Australia.

There are, however, many examples of siloed approaches and fragmented services. Australia's mental health system is one such example: *Our "mental health system"—which implies a planned, unitary whole—is instead a collection of often uncoordinated services introduced on an often ad hoc basis, with no clarity of roles and responsibilities or strategic approach that is reflected in practice¹⁰.*

That health system funding in Australia is tiered with the federal government largely responsible for primary care and state/territory governments for hospitals is challenging for the rural and remote health sector and contributes to these siloed approaches to issues that would be best addressed holistically, through longer term, evidence-based, well-considered strategic and proactive plans that provide the flexibility for local circumstances to influence action. In many areas it creates "artificial" divisions that are not always well understood by people in the community. For example, a rural patient may seek emergency treatment at the local hospital only to find that it is provided by their regular GP who is a Visiting Medical Officer at the hospital.

The span, scope, complexity and circumstances of rural and remote health are often not fully appreciated by policy makers. Policy and funding



decisions tend to be metro-centric in origin and application and do not adequately recognise that rural and remote health is a complex and interdependent web of local and further afield health practitioners and services funded and/or provided by all levels of government, a range of non-government agencies and organisations, private corporations and individual health professionals operating as small businesses. Rural and remote health services are different to those provide in more urban areas

The two issues of tiered funding and metro-centric approaches are exemplified by South Australia where rural hospitals were on average being funded 30% less than tertiary hospitals for the same procedure at the time when the new Royal Adelaide Hospital – which ran significantly over budget and time to opening – continued to receive additional funding. Funding for rural hospitals is a jurisdictional responsibility. It is of grave concern that it is more equitably distributed in some States/Territories than others.

- *regional development policies*

Regional development planning offers the opportunity to identify common ground and unify approaches. It is critical that policymakers learn from previous experience to avoid issues such as the endemic efforts to shift costs that are a function of Australia's tiered health system funding model.

Addressing disparities in health and education must be central to regional development planning as highlighted by the Regional Australia Institute in its submission to the Select Committee on Regional Development and Decentralisation: *The first goal is to more effectively develop our rural and remote heartlands. This involves delivering locally tailored services that can narrow the long term divides in health and education outcomes and ensuring that we have the local population and skills necessary to sustainably develop our vast natural resource endowment*¹¹.

Regional development policies must:

- recognise that the good health and wellbeing of rural and remote Australians is essential to personal, community and national social and economic growth
- acknowledge that the provision of health services is critical to underpin development outside capital cities, and deliver those services

- be cognizant of possible health impacts and ensure appropriate risk mitigation strategies are in place. For example, the closure of a business that employs large numbers of people has a detrimental effect on the mental health of those losing a job in an area where finding new employment is difficult. Lack of mental health services in rural and remote areas means that rural doctors bear the burden of increased health needs
- support multi-disciplinary approaches across health and other sectors to provide high quality care and safety for patients and professionals.

- *infrastructure*

Improving the technological, physical and capital infrastructure in rural and remote areas is critical to reduce regional inequalities, redress inequities and promote regional growth. The health, social and community services and education sectors would all benefit from investment to improve access to broadband, upgrade facilities and provide or replace old equipment. A rural hospital should not have to run fundraising campaigns to buy new ultrasound equipment for its birthing centre.

The re-establishment of an infrastructure grants program and innovative options for funding and better utilising rural health infrastructure should be explored.

Reliable and fast data streaming is becoming more necessity than 'nice to have' in our rapidly evolving technological world. It is needed to take advantage of innovations in health monitoring and telemedicine and to improve access to training, continuing professional development and support for professionals, including doctors.

Improved transport infrastructure in rural and remote, especially airports, will:

- support recruitment and retention of workforces, including for health
- support emergency services, including retrieval of patients
- improve accessibility should patients need to travel for treatment.

- *education; building human capital; enhancing local workforce skills; employment arrangements*

Ensuring the availability of appropriately qualified workforces to deliver the locally tailored services that are required to redress the inequities in health and education outcomes is challenging in many rural and remote areas.

While there is the potential for regional, rural and remote communities to make greater contributions to economic growth and prosperity of the nation, population loss to urban centres is a significant concern¹².

Providing locally accessible opportunities for secondary and higher education, including continuing professional development (CPD) and pathways to enhance the knowledge, skills and experience of individuals will be necessary to stem this loss and to attract new residents.

Employment arrangements can be a critical factor in recruiting and retaining qualified personnel. For example, rural and remote Australia is facing the challenge of matching community expectations with that of doctors. Communities are now having to recognise that younger doctors have different mobility requirements and are unlikely to make lifelong commitments to a community. Employment models must consider these requirements, the impact of changing life circumstances, possible limitations to career progression due to location, education and employment opportunities for spouses and access to childcare among other things.

- *decentralisation policies*

While decentralisation policies may impact on government employment and expenditure in regions, any associated increase in population in regional centres and the smaller rural towns that surround them will also place an additional burden on existing infrastructure and health services. If decentralisation policies are introduced they must be underpinned by investment in health, social services, education, housing and transport. Workforce needs must also be considered.

Other considerations are the loss of economies of scale and the risk that the greater costs will be passed on to consumers; the impact of virtualisation of services and the need for strong digital infrastructure, and the risk of greater compartmentalisation of views based on regions selected (How will services appear to other localities?).

CONCLUSION

Clearly addressing regional inequality is complex and, in relation to rural and remote areas, issues of equity must be a key consideration.

Without good health the capacity of rural and remote people to effectively participate in economic and social activity, and to contribute to the attainment of regional development goals, will be compromised. Without improvements in regional capacity to provide improved infrastructure, offer educational and employment opportunities, build human capital and increase workforce participation redressing health inequities will be problematic.

Addressing regional inequality will be vital to the sustainable development of Australia's heartland. It will require:

- agreement across political divides
- a multi-faceted, holistic approach to regional policy development that seeks to redress inequities
- acknowledgement of the importance of health and its social, cultural and environmental determinants within this context, and
- strategic and operative health plans with clear and attainable goals.

ENDNOTES

¹ Figure A. 14 shows that people living in the capital cities of Perth, Sydney, Brisbane, and to a lesser extent Melbourne, are more likely to be in the top 20% and less likely to be in the bottom 20%. Figure A. 15 shows that people living outside capital cities tend to be found more at the bottom of the income distribution than at the top, except in Western Australia.

Australian Council of Social Services (2015). *Inequality in Australia*. Sydney: ACOSS. p50.

https://www.acoss.org.au/wp-content/uploads/2015/06/inequality_in_Australia_FINAL.pdf Viewed 23 May 2018.

² National Rural Health Alliance (2017). Fact Sheet: Poverty in Rural & Remote Australia. <http://ruralhealth.org.au/sites/default/files/publications/nrha-factsheet-povertynov2017.pdf> Viewed 23 May 2018.

³ For example, the Department of Agriculture and Water Resources indicates that the food industry ... consistently accounts for around 20 per cent of domestic manufacturing sales and service income. The overwhelming majority of food sold in Australia is grown and supplied by Australian farmers. We are able to export more than half of our agricultural produce, while more than 90 per cent of fresh fruit and vegetables, meat, milk and eggs sold in supermarkets are domestically produced.

<http://www.agriculture.gov.au/ag-farm-food/food>

⁴ <http://ruralhealth.org.au/sites/default/files/publications/fact-sheet-27-election2016-13-may-2016.pdf> Viewed 23 May 2018.

⁵ <http://ruralhealth.org.au/sites/default/files/publications/nrha-factsheet-povertynov2017.pdf> Viewed 23 May 2018.

⁶ Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2016~Media%20Release~Census%20shows%20our%20most%20advantaged%20&%20disadvantaged%20areas%20\(Media%20Release\)~25](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2016~Media%20Release~Census%20shows%20our%20most%20advantaged%20&%20disadvantaged%20areas%20(Media%20Release)~25) Viewed 23 May 2018.

⁷ Australian Institute of Health and Welfare 2016. *Australia's health 2016*. Australia's health series no. 15. Cat. no. AUS 199. Canberra: AIHW. <https://www.aihw.gov.au/getmedia/6d6c9331-5abf-49ca-827b-e1df177ab0d3/ah16-5-11-rural-remote-health.pdf.aspx>

⁸ Bishop, L., Ransom, A., Laverty, M., & Gale, L. (2017). *Mental health in remote and rural communities*. Canberra: Royal Flying Doctor Service of Australia. p15.

⁹ <http://www.quitnow.gov.au/internet/anpha/publishing.nsf/Content/submission-coa> Viewed 23 May 2018.

¹⁰ National Mental Health Commission, 2014: The National Review of Mental Health Programmes and Services. Sydney: NMHC. p6.

¹¹ Available at <http://www.regionalaustralia.org.au/home/our-current-work/policy/> Viewed 23 May 2018.

¹² Australian Bureau of Statistics mapping of POPULATION CHANGE BY SA2, Australia - 2016-17 shows a decline or relatively static population growth across most rural and remote regions. The combined population of Greater Capital Cities increased by 1.9% between 30 June 2016 and 30 June 2017, accounting for 81% of Australia's total population growth. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>. Viewed 28 May 2018.