NATIONAL RURAL HEALTH ALLIANCE INC.

The Hon Kelly Dwyer MP
Minister for Revenue and Financial Services

The Hon Scott Morrison MP
Treasurer

Cc The Hon Greg Hunt MP
Minister for Health
The Hon Ken Wyatt MP
Minister for Aged Care and Minister for Indigenous Health
The Hon Dr David Gillespie MP
Assistant Minister for Health

Dear Minister Dwyer and Treasurer Morrison,

The National Rural Health Alliance (the Alliance) is writing to you in response to your invitation to organisations to advise you of issues for consideration in the budget context.

The Alliance is comprised of 39 national member bodies. We are committed to improving the health and wellbeing of the 7 million people living in regional and remote Australia. Our members include consumer groups, representation from the Aboriginal and Torres Strait Islander health sector, Health professional organisations (representing doctors, nurses, midwives, allied health professionals, dentists, optometrists, paramedics, pharmacists and health service managers) and health service providers. We advocate for good health and wellbeing for people living in regional and remote Australia.

Background material on the factors impacting on the health and wellbeing of people living in rural and remote Australia is included at Attachment A. A full list of our members is included at Attachment B.

Budget issues:

Overarching considerations:

- a focus on addressing youth unemployment in smaller regional and remote communities
- a socio-economic study to identify and enumerate the difference in health spending between major cities and regional and remote Australia and from that study identify priorities for action that provide, or are likely to provide, the best return on investment for governments and communities
- studies that identify regional and remote communities in greatest need of health care workers to support the delivery of education and training services in mental health, disability services and aged care services and the development of targeted policies and programs to support those needs
- an expanded Multipurpose Services program to provide flexible, effective and efficient health and social services support in smaller communities.

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Specific measures:

1. **The Alliance considers that the Australian Government has significant potential to unlock the economic and social value of the 7 million people living in regional and remote Australia by reducing the gap in health and wellbeing outcomes compared with people living in cities. This will dramatically improve participation and productivity, and increase Australia's economic growth.**

Unlocking the potential in regional and remote Australia will require developing the means of retaining both young adults and older people in their local communities. Young adults require greater educational opportunities nearer to home and concomitantly, they require greater employment opportunities to enable them to continue living in their local communities. Older people are leaving remote areas and moving to regional centres to access the services they need.

One option is to grow the workforce and facilities to support older people, and people in need of community based services, in place. With the general ageing of Australia and an increased need for services to support mental health, ageing and disability care, there are growing opportunities in regional and remote communities to generate new jobs to support these changing needs: together with jobs providing the education, training and continuing professional development to generate and retain the appropriate workforce. We are already seeing examples of how this can work in communities such as Katherine in the Northern Territory.

While agriculture has been, and will continue to be, the mainstay of regional and remote income generation, finding ways to diversify and expand local economies is vital.

Alliance members are concerned with the current approach to tendering for health service delivery in regional and remote communities. Unless tendering is undertaken and finalised well in advance of the conclusion of existing funding agreements – which is not the current practice – real risks emerge of services simply not being able to retain vital staff, who need security of tenure. Current practices make planning for services to meet community needs difficult, and often are counter-productive. The term 'eco-friendly services' has evolved to describe services that are funded for one or two years – insufficient time to make any long-term impact in a community – and which then lose funding to disappear without leaving a trace. This type of funding serves no useful purpose.

Regional and remote communities need to develop long-term local strategies to support local health needs. This should be supported by long-term funding agreements that enable the development of a stable platform for recruitment and retention of specialist staff together with local strategies to develop, educate and train local support staff.

The Alliance calls for:

- the prioritisation of digital infrastructure in regional and remote communities that need to grow local workforce to support the delivery of disability services, additional mental health services and aged care services
- expansion of education and training options to support smaller regional and remote communities to grow their local health and support services workforce
- long-term contracts for providers of health, mental health, disability and aged and community care services in small regional and remote communities to enable a stable base for recruitment and retention of staff.

2. **The Alliance supports the more equitable use of incentives to get the right workforce into regional and remote areas – but considers that we need to shift the focus of those incentives to distribution rather than simply supply, particularly for allied health professionals, nurses and midwives.**

After decades of not training sufficient health workforce, Australia is now in the situation where this is becoming less of an issue. Rather, the issue is now one of distribution.

For example, we are training sufficient doctors. But these doctors are choosing to remain in major cities. There are significant workforce incentives to attract and retain general practitioners into regional and remote communities, but despite these incentives, these communities continue to struggle to attract and retain the health workforce they need[1].

It is necessary to reconsider the way we approach incentives and place the needs of communities at the heart of this discussion. The Alliance notes with concern that professional colleges, and indeed the Department of Health, argue that is it time to reconsider the recruitment of International Medical Graduates. The Alliance considers that to do so without having in place a working solution that sees Australian trained medical and allied health graduates supplying the needs of regional and remote communities is a recipe for disaster.

This is not a discussion that can be had without the full participation of all the affected groups – regional and remote communities, State and Territory health services, professional organisations and the range of organisations that educate, train and support the health workforce.

There is strong evidence that one of the best means of growing the regional and remote health workforce is to educate and train people from regional and remote communities. Yet the barriers to their education and training are significantly greater than for metropolitan based students. Many have to leave their home and community, support themselves financially and take on significant student debts. Addressing these barriers is one means of increasing the regional and remote health workforce.

The Alliance believes that addressing these barriers requires targeted recruitment of students from regional and remote communities, the targeted use of scholarships to support those students, access to training placements in regional and remote communities with structured, supported entry level positions. The expansion of access to education and training closer to home communities will also assist in attracting students into the study of health care – including medical care, mental health, allied health and nursing.

The Alliance notes the progress that Rural Clinical Schools have made in taking medical and health training out to regional and remote communities and calls for the continued expansion of this program.

The Alliance sees the need for a considered, wide-ranging and evidence-based discussion on what policy options work to attract and retain health workforce in regional and remote communities, including the role of incentives and other policy options. Focusing on the targeted use of workforce incentives to attract and retain valuable health professionals in regional and remote areas would pay for itself through increased productivity and economic growth, driven by healthier regional and remote residents.

[1] See for example http://www.abc.net.au/news/2017-01-10/regional-nurses-desperately-needed-across-mid-west-wa/8173096 and http://www.abc.net.au/news/2017-01-07/viability-of-small-rural-communities-in-doubt-amid-dr-shortage/8165560

This discussion should also consider the models of service delivery that best support community needs. Implementation of the Health Care Home model will pose challenges in smaller regional and all remote settings. The model needs to include sufficient flexibility to meet the challenges inherent in these settings. The model should be supported by information sharing platforms that enable the early exchange of information on local adaptations and their results.

The Alliance calls for:

- development of a Regional and Remote Health Workforce Strategy, including the way in which incentives play a role for all health care workers, with the collaboration of regional and remote communities, State and Territory health services, professional organisations and the range of organisations that educate, train and support the health workforce
- a scholarships program that sits under the Strategy, targeting students from regional and remote communities to study medical and health care
- the delivery of health care and medical education in regional and remote communities, including training placements and structured, well supported entry level positions through expansion of the Rural Clinical Schools
- development of the Health Care Home model to ensure it is responsive and flexible to meet the range of needs in regional and remote communities and funded at levels that enable the delivery of the range of services needed in those communities
- mechanisms for information sharing between health care practices, Primary Health Networks and regional and remote health care providers on the implementation of Health Care Homes in regional and remote communities.

3. **The Alliance believes that we need greater focus on improving health outcomes for Aboriginal and Torres Strait Islander people. Prioritising improving child health, education, wellbeing and supporting indigenous families will give Aboriginal children the best start in life and is the only way to sustainably address the health gap over the long term.**

The health status of Australia's First People is a national tragedy. It would not be tolerated in the non-Indigenous population. While there has been limited progress in some high level indicators, we need to step back and review this progress critically. It is time to stop doing things better. It is time to do better things.

Overwhelmingly, the evidence shows that the best results are achieved when Aboriginal people lead the work and are central in its design and implementation. The National Health Leadership Forum brings together national Aboriginal and Torres Strait Islander Health Leaders to advise and consult on health. The Alliance believes this leadership group should be tasked to review the Indigenous Advancement Strategy and deliver recommendations to guide the development of Indigenous health policy and Aboriginal and Torres Strait Islander Health Workforce policy. The Alliance also believes that the Government should commit to Indigenous leadership in the development, implementation and support of health interventions at all levels.

This should not detract from the current programs that provide culturally appropriate health and wellbeing services to address the serious health and social issues that underpin poor health outcomes for Aboriginal and Torres Strait Islander people.

The most obvious way to address Aboriginal health is from the ground up. A healthy baby grows into a healthy child who grows into a healthy young person and adult.

The Alliance sees the need for a holistic early childhood strategy that informs high quality, Aboriginal and Torres Strait Islander led, locally responsive and culturally appropriate programs with stable, long term funding – ie the use of 5 year contracts as a minimum. Such an approach should include a focus on Indigenous led training and education of local community based workers and their continuing professional development to support greater local employment options, which in turn supports greater economic productivity in those communities.

The Alliance calls for:

- The National Health Leadership Forum to be tasked to review the Indigenous Advancement Strategy and deliver recommendations to guide the development of Indigenous health policy
- Government should commit to Indigenous leadership in the development, implementation and support of health interventions at all levels
- A holistic, Aboriginal and Torres Strait Islander led early childhood strategy that informs high quality, locally responsive and culturally appropriate programs with stable, long term funding

4. **The Alliance supports the need for an increasing share of resources to be channelled through the 16 Primary Health Networks (PHNs) covering regional and remote communities proportionate to regional health outcome variations to enable them to reduce the variations between metropolitan and non-metropolitan areas.**

The Alliance applauds the fact that the Government has used a weighted population formula in distributing funds to the PHNs. This needs to be combined with long-term contracts enabling PHNs to attract quality staff and ensure certainty for the communities they serve.

The relationship between the PHNs and existing service providers, including Aboriginal and Torres Strait Islander services, should be supported with an emphasis on learning and understanding by PHNs. The approach to health care in Aboriginal Health Services provides a holistic model that can be modelled in other mainstream services to provide better integrated care and support. This in turn would benefit the implementation of new service models, such as the health care home.

The Alliance calls for:

- Ongoing monitoring and adjustment of the effectiveness of the PHN funding model in regional and remote communities proportionate to the disparities between metropolitan and non-metropolitan health outcomes
- Long-term funding agreements to provide stability to PHNs to recruit and retain key staff
- Trialling of the Health Care Home model in small regional and remote communities and review of funding levels necessary to achieve positive outcomes, described through key performance indicators that include health outcome measures

5. **Increase support for building stronger families and stronger babies in recognition that a healthy start to life leads to better health, wellbeing, social and economic outcomes by focusing on the needs of mothers and babies in the first 1000 days – from conception to the age of two.**

The Alliance supports the First 1000 Days program, which targets Aboriginal and Torres Strait Islander communities, as an exemplar program to support Indigenous women and children across all communities. The Alliance argues that this program should be supported by Government through scalable and systemic expansion on a national basis.

The Alliance also supports learning from this program to identify ways in which the long-term health and wellbeing of all children, Australia's future, can be enhanced by ensuring they have the best possible start in life.

The Alliance calls for:

- Government recognition of the First 1000 Days program as an exemplar Aboriginal and Torres Strait Islander led and focussed program
- Funding to support the delivery of the program on a national, systemic basis in both indigenous and non-indigenous communities and to establish appropriate monitoring, review and reporting protocols
- Lessons from the Field programs to enable broader learning and development and cross cultural collaboration

In conclusion

The Alliance is seeking from Government a long-term commitment to improving the health and wellbeing of the 7 million Australians who live outside the major centres. We have set out above our key points to achieve this goal.

The Alliance believes that in committing to improve the long-term health and wellbeing of those living outside the major cities, Australia will benefit from increased productivity through higher employment growth and reduced long-term burden of disease leading to an even greater capacity to contribute to Australia's economic wellbeing.

Yours sincerely

David Butt
Chief Executive Officer

Attachment A

National Rural Health Alliance

Background: rural and remote Australia

The Alliance believes that addressing the health needs of people living in regional and remote Australia will have wide-ranging, long-term economic and social benefits. To this end, the Alliance has identified several key issues that it sees as vital to the health and wellbeing of people living in regional and remote Australia.

Regional and remote communities[2] should be thriving, innovative places that are the bedrock of the Australian economy and psyche. Approximately 67% of the value of Australia's exports comes from regional and remote areas:

- tourism in regional and remote areas contributes about 1% of Australia's gross domestic product (GDP) ($16 billion) (Regional Australia Institute);
- agriculture contributes 3% (about $50 billion) to GDP, or 12% (about $150 billion) if value adding processes are included. Agriculture, forestry and fisheries bring in around $40 billion in export income (around 13% of total export income) (National Farmers Federation); and
- the resources sector (mining, oil and gas production) contributes around 10% of GDP ($150 billion (Minerals Council of Australia)), and contributes about the same amount to export income, which amount to around 50% of exports.

As Australia diversifies its economic base to mitigate against too significant a reliance on the resources sector, regional and remote communities are facing considerable transitions to develop new sources of employment and community growth.

Regional and remote communities face this transition from an economic base that is considerably weaker than that of urban communities. This is demonstrated below in the comparison of gross household incomes between capital city incomes with the median income of those living in the balance of the State.

Median gross household income by State							
Year	NSW	Vic	Qld	SA	WA	Tas	Australia
Ratio of capital city to balance of state							
1996-97	1.25	1.12	1.06	1.13	1.11	1.04	1.16
1997-98	1.44	1.26	1.25	1.31	0.92	1.07	1.30
2002-03	1.56	1.31	1.10	1.02	1.21	1.04	1.32
2005-06	1.47	1.23	1.14	1.24	1.08	1.20	1.27
2011-12	1.54	1.46	1.19	1.26	1.15	1.31	1.37

Source: ABS 6523.0 - Household Income and Income Distribution, Australia, 2011-12.

Compared with major cities:

- Regional populations have proportionally more children, fewer young adults, fewer people of working age, more people in late working age approaching retirement, and more elderly people.

[2] The Alliance uses the term regional and remote using the definitions of the Australian Bureau of Statistics ASGC, major cities, inner regional, outer regional, remote and very remote. Inner regional and outer regional have been conflated into regional and remote and very remote into remote.

- Remote populations have proportionally more children, fewer young adults, slightly more people of working age, similar numbers of people in late working age approaching retirement, and substantially fewer elderly people[3].

For every ten working age adults aged 25-54 years, there are:

- three older (65+) people in major cities;
- four older people in regional areas; and
- two older people in remote areas[4].

Unemployment and lack of educational opportunities are the major reasons young people leave regional and remote communities. Estimates of regional unemployment and labour force participation presented below are based on ABS Labour force surveys conducted monthly between May 2014 and April 2015. Because estimates of regional unemployment vary slightly from month to month, the data have been aggregated over 12 months to provide a more stable indication of differences between the regions[5].

During the period (May 20154 to April 2015), unemployment in Australia averaged 6.1%, compared with an average of between 3.4% and 6.9% in each of Australia's state and territory capitals, and an average of between 4.9% and 7.4% in the balance of each of Australia's states and territories, suggesting slightly higher rates of unemployment outside the capital cities. However, as is often the case, averages hide substantial anomalies.

While 41% of capital city regions had unemployment rates higher than the Australian average, 56% of regional and remote regions had higher rates than the average. While those capital cities regions with higher than average unemployment rates had unemployment rates 1.17 times the Australian unemployment rate, the regional and remote regions with higher than average unemployment rates had rates 1.27 times the Australian unemployment rate. While 4 out of 46 (9%) of capital city regions had average unemployment rates of 8% or more, 8 out of 41 (21%) of other regional and remote regions had unemployment rates of 8% or more.

Average monthly percentage unemployed, May 2014 to April 2015, worst 20 regions, total unemployed and unemployed youth.[6]

	% unemployed	
	Total	Youth
Wide Bay	**11.2**	**20.5**
Murray, NSW	**10.9**	**15.1**
Hunter Valley exc Newcastle	**9.2**	**18.4**
Logan - Beaudesert	9.1	16.7
Richmond - Tweed	**9.1**	**17.4**
Townsville	**8.6**	**18.2**
New England and North West	**8.4**	**18.0**

[3] NRHA derived from http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3238.0.55.001June%202011?OpenDocument

[4] NRHA derived from http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3238.0.55.001June%202011?OpenDocument

[5] Data is sourced from: http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.001Apr%202015?OpenDocument

[6] Black bold font indicates a regional or remote area, red font indicates capital city area. Brown background indicates that the area has an unemployment rate in the top 20. White background indicates that the area is not amongst the top 20. For example, Murray had the second highest overall unemployment rate, but the youth unemployment rate at 15.1% is not amongst the top 20 (although it is higher than the Australian average of 13.6). Total unemployed are 15+ years. Youth unemployed are 15 to 24 years.

Mandurah	**8.4**	**14.6**
Tasmania - South East	**8.3**	**21.0**
Adelaide - North	8.3	17.5
Moreton Bay - North	8.2	14.6
Melbourne - West	8.0	17.1
Newcastle and Lake Macquarie	**7.9**	**15.1**
Geelong	**7.8**	**18.2**
Ipswich	7.7	17.0
Shepparton	**7.6**	**19.2**
Tasmania - West and North West	**7.6**	**17.5**
Cairns	**7.5**	**20.7**
Southern Highlands and Shoalhaven	**7.5**	**14.1**
Sunshine Coast	**7.3**	**14.0**
Far West and Orana	**6.0**	**22.4**
Queensland - Outback	**4.4**	**20.4**
Mornington Peninsula	7.0	19.9
South Australia - South East	**7.2**	**19.8**
Warrnambool and South West	**6.0**	**19.1**
Launceston and North East	**6.9**	**17.7**
South Australia - Outback	**6.0**	**17.5**
Central Coast, NSW	7.0	17.4
Australia	6.1	13.6

Unemployment in regional and remote communities is one of the many contextual stressors that contributes to higher rates of poor mental health, poor health generally and significantly higher rates of suicide. These stressors are often compounded by drought and other agricultural stressors, and in remote Queensland, one of the impacts is that the male suicide rate is double the rate in the major cities[7].

What this data demonstrates is that it is not possible to look at health out of context. While unemployment and drought may be the stressors contributing to higher male suicide rates, they also contribute to higher rates of obesity, anxiety, domestic and family violence and other significant health and community issues.

The Grattan Institute recently released a methodology for identifying "health hotspots"[8]. The Alliance suggests that serious consideration should be given to making use of this methodology, or similar, to target combined social and health interventions in smaller regional and remote communities with the greatest need.

Addressing these issues is not a one size fits all approach. Smaller communities have a range of issues that require flexible approaches to support both their health and social welfare needs. Aboriginal Health Services have taken on this role in Aboriginal and Torres Strait Islander communities and there are many examples demonstrating the significant positive impact this has had. In non-Indigenous

[7] Kairi Kõlves, Allison Milner, Kathy McKay & Diego De Leo, *Suicide in Rural and Remote Areas of Australia,* The Australian Institute of Suicide Research and Prevention, 2012

[8] https://grattan.edu.au/report/perils-of-place-identifying-hotspots-of-health-inequality/

communities, the Multipurpose Services program is the closest equivalent, and the Alliance supports the development of this model to include the delivery of local health and social support services to provide more holistic services in smaller communities.

In combination, the above provide significant indicators of the areas the Alliance believes should be prioritised for action to improve the health, well-being and long-term sustainability of regional and remote communities.

Attachment B

National Rural Health Alliance - Member Body Organisations
Australasian College for Emergency Medicine (Rural, Regional and Remote Committee)
Australasian College of Health Service Management (rural members)
Australian College of Midwives (Rural and Remote Advisory Committee)
Australian College of Nursing - Rural Nursing and Midwifery Community of Interest
Australian College of Rural and Remote Medicine
Australian General Practice Network
Australian Healthcare and Hospitals Association
Allied Health Professions Australia Rural and Remote
Australian Indigenous Doctors' Association
Australian Nursing and Midwifery Federation (rural nursing and midwifery members)
Australian Physiotherapy Association (Rural Members Network)
Australian Paediatric Society
Australian Psychological Society (Rural and Remote Psychology Interest Group)
Australian Rural Health Education Network
Council of Ambulance Authorities (Rural and Remote Group)
Congress of Aboriginal and Torres Strait Islander Nurses and Midwives
CRANAplus
Country Women's Association of Australia
Exercise and Sports Science Australia (Rural and Remote Interest Group)
Federation of Rural Australian Medical Educators
Health Consumers of Rural and Remote Australia
Indigenous Allied Health Australia
Isolated Children's Parents' Association
National Aboriginal Community Controlled Health Organisation
National Aboriginal and Torres Strait Islander Health Worker Association
National Rural Health Student Network
Paramedics Australasia (Rural and Remote Special Interest Group)
Rural Special Interest Group of Pharmaceutical Society of Australia
RACGP Rural: The Royal Australian College of General Practitioners
Rural Doctors Association of Australia
Rural Dentists' Network of the Australian Dental Association
Royal Far West
Royal Flying Doctor Service
Rural Health Workforce Australia
Rural and Indigenous Health-interest Group of the Chiropractors' Association of Australia
Rural Optometry Group of Optometry Australia
Rural Pharmacists Australia
Services for Australian Rural and Remote Allied Health
Speech Pathology Australia (Rural and Remote Member Community)