

**Submission to the
Parliamentary Finance and Expenditure Select Committee
on the 2005 Budget Policy Statement from the
New Zealand Public Health Association of NZ (PHA)**

Summary

The Public Health Association commends the Government in the Budget Policy Statement 2003 for its focus **on investment to ensure a fair society where everyone benefits.**

The Public Health Association urges Parliament to ensure that:

- social wellbeing (including health) should be made an **ongoing aim** of fiscal policy

The Public Health Association urges Parliament to:

- direct health investment to **prevention**, particularly prevention of **avoidable hospital admissions**, to improve health outcomes and reduce health inequalities, especially for Maori.
- reduce health inequalities by **eliminating child poverty**.
- direct investment in the justice and social sector to **early intervention** and prevention. Those same early interventions will also contribute to healthier citizens.
- Assign to an appropriate body ‘whole of Government’ responsibility for **coordinating policies** and **monitoring effects on health inequalities**.
- Develop the capacity for **health impact assessment** to ensure consideration of the effects on health of central and local government policy during the process of policy formation.
- Require the **routine reporting of data** on socioeconomic status, ethnicity and health at the national and district health board levels. This should include analyses by socioeconomic status within ethnic groups.
- Fund **research for identifying policy interventions** that reduce health inequalities and to better understand the causal paths linking socioeconomic status, ethnicity and health.

The Public Health Association reminds Parliament that :

- **taxation policies** particularly alcohol, tobacco and gambling can be specifically targeted to **improve health and reduce disparities**.

Introduction

The Public Health Association of New Zealand (PHA) is a voluntary association, which provides a major forum for the exchange of information and stimulation of debate about public health in New Zealand. Membership of PHA is open to all individuals interested in public health and covers more than 300 individual members from the public, private and voluntary sectors. The PHA is a member of the World Federation of Public Health Associations.

Public health is defined as the improvement of the health of the whole population 'through the organised efforts of society' (Acheson, 1988¹).

PHA supports investment focus

The PHA strongly supports the priority of the Budget Policy Statement 2005 to invest to ensure a fair society where everyone benefits.

The PHA supports this focus because social investment will reduce inequalities, particularly inequalities in health outcomes. The National Health Committee (an independent advisory committee to the Minister of Health) presents four key arguments in favour of reducing health inequalities by improving the health status of the most disadvantaged groups²:

- ❑ health inequalities are reducible
- ❑ doing so is equitable (fair)
- ❑ doing so benefits wider society, not just people who are direct recipients of the health gains that reduce inequalities
- ❑ doing so has economic benefits.

As in previous years, the Public Health Association urges that social wellbeing (including health) should be made an ongoing aim of fiscal policy.

Invest in health not hospitals

The PHA is very pleased that the Government is continuing the increase in health expenditure. However the PHA believes that the focus of the increased health spending should be on prevention, including preventing costly hospital admissions.

Thirty percent (30%) of hospital admissions were "potentially avoidable" according to the Ministry of Health³. In theory hospitals should be dealing with only 70% of the people they are caring for now. An immediate reduction of avoidable admission to zero is not feasible, however immediate movement in that direction could be readily achieved.

¹ Acheson, D. *Public health in England*. London: HMSO, 1988.

² National Health Committee. *The social, cultural and economic determinants of health in New Zealand*. Wellington, 1998.

³ Ministry of Health *Our Health, Our Future: The Health of New Zealanders* Ministry of Health 1999. Wellington

Until more funding is directed towards effective prevention, there will be a continuing increase in demand for treatment services that should have not been needed.

Significant gains possible for Maori and other groups

The Ministry of Health also reports that avoidable hospital admissions for Maori are 60% higher than “other New Zealander” rates. For Pacific people the avoidable hospitalisation rates are 70% higher than “other New Zealander” rates.

If all New Zealanders had the same rate of avoidable admissions as the top 40% of the country, not only would the health of Maori and other groups improve, but also the annual reduction in hospital admissions according to the Ministry of Health report would be “*equivalent to the annual inpatient throughput of a middle-sized hospital such as Whangarei or Palmerston North*”.

The Public Health Association urges Parliament to direct health investment to prevention, particularly prevention of avoidable hospital admissions, to improve health outcomes and reduce health inequalities, especially for Maori.

Invest in children and families to limit the costs in health and crime

Health can benefit from New Zealand’s economic growth

The Government’s *Working for Families* package is an important investment in preventive health. The Public Health Association is very pleased at the steps Government is taking to reduce child poverty, as child poverty is such a strong factor in poor health. We urge the Government to plan to eliminate child poverty, including for those most vulnerable children that the current *Working for Families* package will not assist.

The Minister of Health’s independent Public Health Advisory Committee⁴ recently reiterated that child poverty is a cause of poor health⁵. Data from the Ministry of Social Development⁶ illustrates ways that childhood deprivation can affect current childhood health – postponed visits to the doctor or dentist, unable to purchase wet weather clothing, and children sharing a bed. Respiratory diseases, meningitis and skin infections all flourish when purchase of disinfectants, skin dressings and the supply of clean dry towels is restricted by lack of finance, and houses are crowded and damp. These are all examples of conditions which can result in avoidable hospital admissions or preventable deaths.

⁴ The Public Health Advisory Committee is a subcommittee of the National Health Committee)

⁵ The Public Health Advisory Committee (subcommittee of the National Health Committee) *The Health of People and Communities A way forward: public policy and the economic determinants of health Report to the Minister of Health* Wellington 2004

⁶ Ministry of Social development, *New Zealand Living Standards 2000 Nga Ahuatanga Noho o Aotearoa* , Wellington, 2002

The Public Health Association urges the Government to implement the advice in the report from the independent Public Health Advisory Committee to the Minister of Health to:

Develop an official poverty measure by July 2005, set measurable objectives for the reduction of poverty and monitor progress toward meeting these objectives.

Aim to reduce child poverty by at least 30 percent by 2007, and make continuing improvements until child poverty is eliminated in New Zealand.

In particular, we urge the Government to plan to eliminate child poverty, including for those most vulnerable children that will not get assistance from the current *Working for Families*.

Prevention can work for security, as well

While the Public Health Association has particular knowledge about factors affecting health, we are aware that many of the risk factors for poor health outcomes are also the risk factors for poor educational outcomes and issues for youth justice.

The Public Health Association urges Government to consider the role of prevention when making investments to improve security.

Social factors underpin health outcomes

In previous years the Public Health Association has drawn the attention of Parliament to the fact that social factors underpin health outcomes and given advice on ways to improve health. The recent Public Health Advisory Committee report to the Minister of Health reaffirms these findings.

The Public Health Association urges the Government to implement the advice in the report from the independent Public Health Advisory Committee to the Minister of Health to:

- Assign to an appropriate body 'whole of Government' responsibility for coordinating policies and monitoring effects on health inequalities.
- Develop the capacity for health impact assessment to ensure consideration of the effects on health of central and local government policy during the process of policy formation.
- Require the routine reporting of data on socioeconomic status, ethnicity and health
- at the national and district health board levels. This should include analyses by socioeconomic status within ethnic groups.
- Fund research for identifying policy interventions that reduce health inequalities and to better understand the causal paths linking socioeconomic status, ethnicity and health.

Taxation can improve health

In previous years the Public Health Association has informed Parliament of the ways in which specific taxes can be used to both reduce health risk behaviours, and also to reduce social inequalities and thereby improve health.

Taxes on tobacco, alcohol and gambling are specific examples of ways that taxation policy can both improve health and reduce disparities.