



# SA: THE HEAPS UNFAIR STATE

WHY HAVE HEALTH  
INEQUITIES INCREASED  
IN SOUTH AUSTRALIA  
AND HOW CAN THIS  
TREND BE REVERSED?

SUMMARY REPORT

# Why have health inequities increased in South Australia?

“SA: The Heaps Unfair State report shows that we cannot be complacent. While it is possible to close the health gap, it can also widen. It’s important to understand why and how this can happen, and to sustain policy and actions on the social determinants of health to continue to seek a fairer distribution of health in our society.” **PROFESSOR SIR MICHAEL MARMOT**

This is a summary of the final report<sup>1</sup> of research that was conducted jointly by the Southgate Institute for Health, Society and Equity at Flinders University and the South Australian Council of Social Service (SACOSS) to investigate why health inequities have increased in South Australia since the 1980s. A major component of this research was examining underlying socioeconomic factors through statistical analysis which helped to explain the increase in health inequities in SA.

Our research involved three activities:

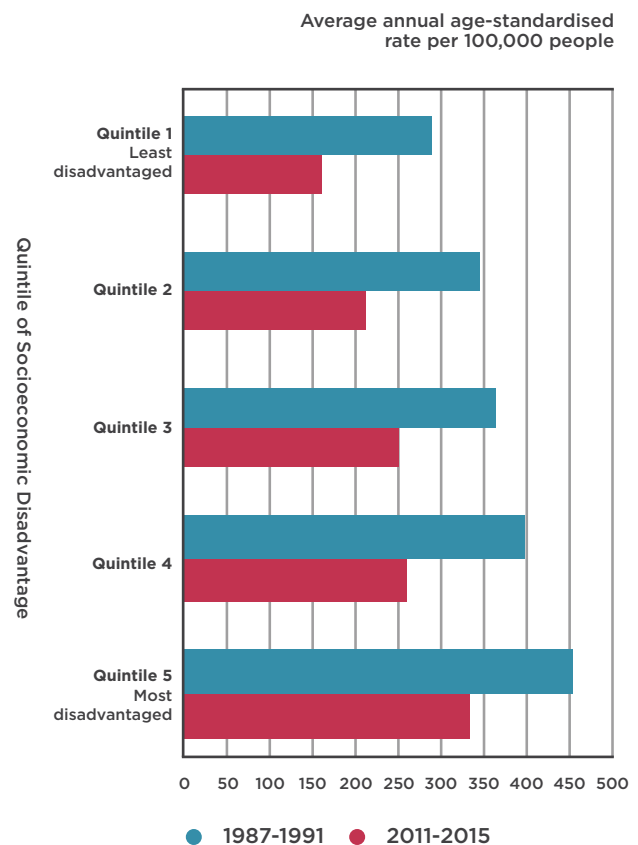
1. Compiling the data on health inequities and the social and economic determinants of health which drive health status.
2. Interviewing 12 people with long-term experience working in South Australia in positions that were concerned with advancing health and wellbeing. Each interviewee had significant experience of public policy in Australia, including a politician, current and former senior state and federal public servants, academics and policy advocates in Non-Government Organisations (NGOs).
3. An interactive workshop held in September 2019 at which our emerging research findings were debated and refined amongst 50 representatives from the South Australian government, policy makers, NGOs, community members and academics.

The research findings in our report highlight the growth in health inequities in South Australia since the mid-1980s. The final report examines the consequences of challenging global, national and state factors over the past 30-40 years that have resulted in South Australia’s increasing health inequities despite continued increases in life expectancy.

## Health inequities in South Australia

From the late 1980s to the mid-2010s, health outcomes have generally improved: life expectancy has increased, and premature mortality has decreased. However, inequities in health outcomes according to socioeconomic status have increased dramatically.

This is best captured in the premature mortality rates (see **Figure 1**):



**Figure 1 Rates of Premature Mortality in South Australia, ages 0 to 74, by quintile of socioeconomic disadvantage, 1987-1991, and 2011 to 2015<sup>2</sup>**

1 For more information, see the full and statistical report here: <https://www.flinders.edu.au/southgate-institute-health-society-equity/punching-above-weight-network>

2 Data Source: Social Health Atlas, The Public Health Information and Development Unit, 2018 (<http://phidu.torrens.edu.au>)

This figure demonstrates a gradient in health whereby mortality differs according to socioeconomic status. A flat gradient suggests a more equal society; a steep gradient suggests greater inequalities. The gradient of health inequalities in South Australia has been getting steeper over the past decades. This is reflected in a higher inequality ratio, rising from 1.55 in 1987-1991, to 2.10 in 2011-2015, meaning that ***the rate of premature deaths in the most socioeconomically disadvantaged areas of South Australia is now over twice the rate of premature deaths in the most socioeconomically advantaged areas of South Australia.***

Similarly, there have been overall improvements in health outcomes, but worsening health inequalities in South Australia, for:

- deaths from avoidable causes (including deaths by chronic obstructive pulmonary disease, respiratory system diseases, cerebrovascular diseases, ischaemic heart disease, circulatory system diseases, and diabetes)
- infant and child deaths
- self-assessed health.

## South Australia's health inequities are growing faster than other states and territories

Inequalities have increased in all states and territories but at different rates (see **Table 1**). South Australia ranks second worst in terms of the greatest increase in the inequality ratio. While South Australia was the fourth most equal state/territory in 1997-2001, with an inequalities ratio below the national average, this dropped to a ranking of 6<sup>th</sup> in 2011-2015, with an inequality ratio above the national average.

**Table 1** Changes in the Health Inequality Ratio from 1997-2000 to 2011-2015 for Deaths from all Avoidable Causes<sup>3</sup>

State	Health inequalities ratio 1997-2001	Health inequalities ratio 2011-2015	Increase in inequality ratio
New South Wales	1.59	2.11	0.52
Victoria	1.32	1.85	0.53
Queensland	1.58	1.89	0.31
<b>South Australia</b>	<b>1.52</b>	<b>2.18</b>	<b>0.66</b>
Western Australia	1.64	2.26	0.62
Tasmania	1.4	2.03	0.63
Northern Territory	3.5	4.23	0.73
Australian Capital Territory	1.39	1.87	0.48
<b>Australia</b>	<b>1.55</b>	<b>2.06</b>	<b>0.51</b>

<sup>3</sup> Data Source: Social Health Atlas, The Public Health Information and Development Unit, 2018 (<http://phidu.torrens.edu.au>)



## Key themes that emerged from the research as drivers of inequities in South Australia

### Impact of de-industrialisation on the South Australian economy and manufacturing industries, and trends in employment and income (including social security income).

South Australia's economy, industry and employment have been hard hit by the global changes in global manufacturing and economic shocks over the same period. Notably, trends in employment and income over this time that continue to affect South Australia, include:

- the decrease in manufacturing industry jobs and growth in the health care and social assistance industry in South Australia
- the overall rise in employment in South Australia, coupled with its uneven distribution
- the increase in underemployment and underutilisation rates
- the increase in part time and casual employment
- the stagnation of income and persistence of wealth and income inequities
- the freezing of Newstart Allowance since 1994 and its contribution to a progressive deepening of poverty for people in households relying mainly on that payment.

The impacts have been most severely felt by low income workers, those reliant on social security payments and their families, especially youth, Aboriginal and Torres Strait Islanders, those re-entering the workforce, and single parents.

### Privatisation in education, health, public infrastructure and housing sectors.

Since the early 1980s, economic rationalist policies have been dominant in Australia, and led to the privatisation of key government services. The privatisation of public housing stock, the growth in private schools, and the growth of the private health and social service sector, including employment services and private health insurance, were highlighted as increasing health inequalities in the state.

### Decrease in public housing stock coupled with quality and increase in housing and living costs

South Australia has historically spent more on public housing than other states and territories. The decrease in public housing stock and its quality between 1986 and 2016 has most drastically affected the most disadvantaged areas of South Australia. This, in combination with decreasing housing affordability and rising living costs including energy has entrenched poverty. The rate of household poverty rose from 10 per cent to 23.3 per cent between 1981-82 and 1997-98.

### The politicisation and hollowing out of the state and federal public sector's capacity and expertise to respond to economic and social challenges.

The public sector across Australia from the 1980s has been influenced by the New Public Management philosophy which focuses on commercialisation, decentralisation of public services, outsourcing and privatisation, and the creation of a contracted senior executive service. Our research interviews highlighted the impacts this has had on South Australia's public sector resulting in:

- an increasingly politicised public service
- the undervaluing of public sector policy roles and the narrowing of policy processes to being reactive rather than proactive
- a shift away from encouraging intersectoral collaboration to address health inequity, to promoting intersectoral collaboration to achieve intersectoral policy goals without a focus on equity
- a loss of policy development and implementation expertise in the public sector and of its capacity to respond to South Australia's growing inequities.

### The erosion of democratic social justice values and disinvestment in community-based approaches to health and education

The local and global trend towards individualism has manifested in South Australian policies and institutions in various ways:

- the weakening of the welfare state as social security policies become more targeted and the processes to receive payments become dehumanising
- a shift to individual responsibility over state responsibility in health and social public policies.

- rise in consumerism
- the funding criteria and competition between NGOs, community organisations and for-profit providers leading to erosion of collaboration, undervaluing of local knowledge and governance, a growth in larger entities better positioned and resourced to participate in market processes, and a reduction in the ability of organisations to respond to community needs
- loss of health and education movements and activities in local communities which previously operated throughout the state.



## Our recommendations: how these trends can be reversed

The following recommendations have been divided into sectors, and state and federal government responsibility has been identified. Not all recommendations fall neatly into one sector.<sup>4</sup>

### Overarching recommendations for the South Australian government

- The South Australian government creates a long-term plan for the social and economic development of the state which will work towards ecological sustainability and human wellbeing and equity, and will do this in full consultation with the community and stakeholders
- The South Australian government to commit to maintaining and building an adequate state tax base to fund services and reduce reliance on distribution from the GST pool
- The South Australian government ends budgeted departmental targets, or efficiency dividends, which result in service funding and quality being progressively whittled away over time. Because these service funding cuts are relatively small administrative issues they occur without parliamentary scrutiny. Rather than continuing to apply budgeted departmental targets, we recommend that for improved transparency and accountability and for funding certainty, any funding cuts are made by the Minister and announced in the State Budget

### South Australian Public Service

- Restore and protect the apolitical and independent role of the South Australian public service to ensure it can provide evidence-based advice on complex and challenging issues and pressures faced by the state
- Review all privatisation proposals through a health and equity lens, and conduct retrospective health and equity impact studies on services that have been privatised and outsourced since the 1990s

### Health Sector

- The South Australian Government, led by Wellbeing SA, develop a **state-wide health equity monitoring system and policy** which explicitly addresses the whole-of-government actions needed to reverse current trends and reduce inequities
- The SA Government establish a program of comprehensive primary health care centres in South Australia which build community capacity through appropriate community care, health promotion, partnerships and development. Priority should be given to establishing centres in areas facing disadvantage. These centres would support the government's response to infectious disease containment measures including the current Covid-19 pandemic in local communities (**state and federal government**)
- Increase investment in critical areas, including investment in early childhood development and early intervention, and targeted funding to specific groups, including funding for Aboriginal and Torres Strait Islander Community Controlled Health Services (**state and federal government**)
- Expand the South Australian Health in All Policies initiative to enhance intersectoral collaboration to address the social determinants of health and increase the focus of SA Health in all Policies on improving health equity (**state government**)

<sup>4</sup> These recommendations intentionally focus on the social determinations of health, and recognise that within each recommendation specific attention should be paid to the issues facing Aboriginal and Torres Strait Islander people, including efforts made to achieving self-determination.

## Digital Inclusion

- Enact strategies to improve digital inclusion in South Australia, through initiatives to support affordability of technology (e.g. smartphones, PCs) and internet connections (mobile and/or terrestrial), good quality internet infrastructure, building people's skills and confidence to use technology and navigate online services, as well as ensuring that alternatives to digital avenues are provided for education, health care and other government services (**state government**)

## Housing Sector

- Stop the diminishing of public housing stock, increase the investment in public housing and ensure the maintenance and upgrade of existing stock (**state government**)
- Introduce a green housing infrastructure program, including for public housing, to improve housing and energy affordability, provide employment opportunities and address climate change (**state and federal government**)
- All new housing to be built to the highest energy standard and using universal design principles. e.g. The Nationwide House Energy Rating Scheme (NatHERS) energy rating of around 7 stars<sup>5</sup> (**state government**)

## Employment Sector

- Increase minimum wages for low income earners to improve living standards (**federal government**)
- Acknowledge the challenges of workforce participation and remove the current link between employment support services and the income support system (**federal government**)
- Review the outsourcing of employment services, including consideration of re-establishing a publicly managed and delivered service, and extend who is eligible to use the services (**federal government**)
- Develop tailored employment and pre-employment policies and programs for entry level positions and transitions (**federal and state government**)

## Education Sector

- Increase support for public education, particularly schools in areas of disadvantage, reduce subsidies to the private school sector, and target areas of underperformance (**state and federal government**)
- Prioritise and increase investment in universal early childhood care and public primary schools as this will improve the education and health outcomes of all children and specifically children from lower socioeconomic backgrounds (**state and federal government**)

## Energy Sector

- Ensure that low income households, tenants and people living in vulnerable circumstances are prioritised and considered in any government policy that targets interventions occurring with the energy transition in South Australia (**state and federal government**)
- Implement building code regulations that apply to new and existing houses to improve housing stock with retrofits such as insulation and double glazing to reduce electricity costs and ensure comfort in summer and winter (**state government**)
- Ensure that South Australia's strong targets on renewable energy are expanded to other key areas impacting climate and mobility including public transport options, vehicle use and the agricultural industry (**federal and state government**)

## Social Security Sector

- Index all social security payments to the average wage index (AWI) at a minimum and ensure they maintain pace with community living standards (**federal government**)
- Raise Newstart, Youth Allowance and other social security payments to reduce poverty and health inequities. This will have a direct impact on people's access to health and wellbeing, improving resources as well as stimulating the economy (**federal government**)
- Support a Single Parent Supplement benchmarked to the cost of children as they age (**federal government**)

5 For more information on 7 Star energy efficient house design [www.nathers.gov.au/owners-and-builders/7-star-house-plans](http://www.nathers.gov.au/owners-and-builders/7-star-house-plans)



- Abolish Compulsory Income Management, the compulsory element of the ParentsNext program, and the compulsory Cashless Debit Card (**federal government**)

### Economy and Fiscal Sector

- Adopt a Green New Deal<sup>6</sup> to safeguard South Australia in the light of the climate crisis and to provide new job opportunities (**state government**)
- Introduce the concept of a Wellness budget and draw on the experience of Scotland, Iceland and New Zealand in doing so (**state and federal government**)
- Adopt alternative measures of South Australia's progress (e.g. the Genuine Progress Indicator rather than GDP) (**state and federal government**)
- Invest in the opportunities for economic development that could flow from rapidly advancing technological digital advancements, advanced manufacturing industries, and training institutions to improve economic and employment opportunities in Australia and South Australia and use innovative mechanisms to link universities with emerging industries (**state and federal government**)
- Infrastructure SA should consider the development of social as well as physical infrastructure (e.g. community development and healthy urban design) as a key feature of any future plan (**state government**)

### Rural and Regional

- The SA Infrastructure Plan must include plans for regional and rural areas of South Australia beyond the installation of new needed infrastructure with the aim of thriving, rather than surviving. This includes securing long term regional and rural development owned by the community and building local economies and capacity of residents (**state government**)
- Develop new industries based on renewable energy, digital technologies and advanced manufacturing by extending existing initiatives (**federal and state government**)

### Community and NGO sector

- Increase the availability of vital community services that address issues of equity and disadvantage, as well as the pool of funding that is available to respond to new, growing or established community development needs (**state and federal government**)
- Establish a set of values in all government contracts that recognise the unique contribution of not-for profit/NGOs in providing economic value, advocacy and community development (**state and federal government**)
- Ensure all government contracts guarantee good employment conditions, and provide for adequate staff development, research, evaluation, and policy development (**state and federal government**)
- Provide resources to enable SACOSS to establish a long-term plan for the Community and NGO sector in South Australia that incorporates workforce development and considers what the South Australian community sector should look like and how it differs from and complements the public sector

<sup>6</sup> A Green New Deal (GND) aims to address climate change and economic inequality. This approach has emerged in the US and has increasingly gained international support. An Australian Green New Deal could include renewable energy creation, sustainable farming and improved water infrastructure.



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### *SA: THE HEAPS UNFAIR STATE*

*Why have health inequities increased in South Australia and how can this trend be reversed?*

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### Project team

Dr Connie Musolino, Southgate Institute for Health, Society and Equity, Flinders University (Project Manager)

Professor Fran Baum, Southgate Institute for Health, Society and Equity, Flinders University

Ross Womersley, CEO, South Australian Council of Social Service

Dr Helen van Eyk, Southgate Institute for Health, Society and Equity, Flinders University

Dr Toby Freeman, Southgate Institute for Health, Society and Equity, Flinders University

Dr Joanne Flavel, Southgate Institute for Health, Society and Equity, Flinders University

Dr Catherine Earl, Policy Co-Director, South Australian Council of Social Service

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SACOSS acknowledges traditional owners of country throughout South Australia, and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures, and to elders past, present and future.