



OUR POSITION

Driving environmental sustainability in the health and aged care sectors

BACKGROUND

Catholic Health Australia advocates for positive change in the social justice, health and aged care sectors.

As Australia's largest non-government grouping of health and aged care services, we account for approximately 15 per cent of hospital-based healthcare in Australia, 12 per cent of aged care and 20 per cent of home care.

In keeping with our ethos, and our commitment to [Laudato Si](#) we believe there is a clear moral imperative for Catholic organisations to set an example of environmental responsibility and stewardship in contributing towards health systems strengthening. Campaigning for action on climate change requires a systemic response. CHA and our members will advocate for Government to provide leadership and support in health system resilience, decarbonisation, and fundamentally, progressing a system that delivers better health outcomes for people in the context of climate challenges.

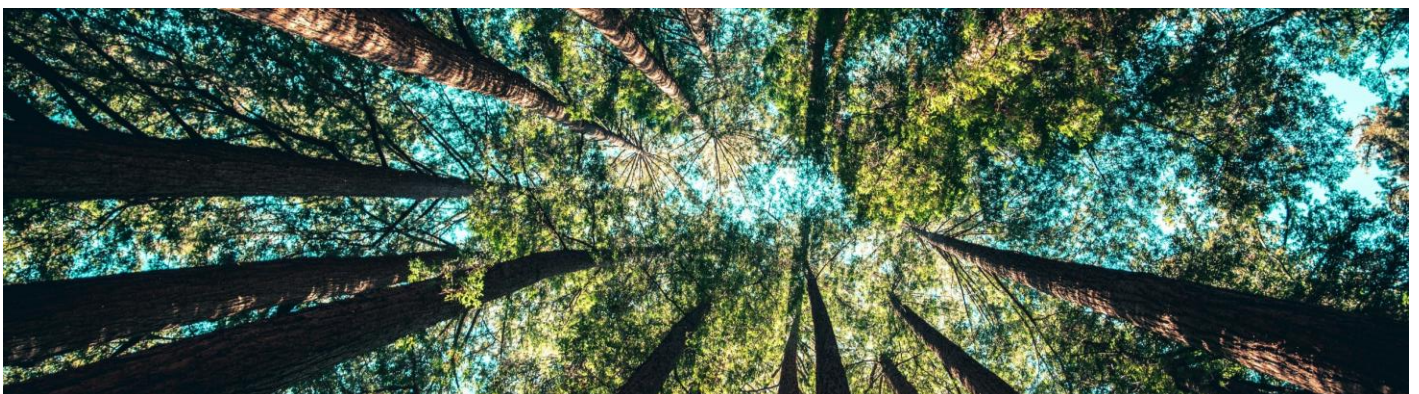
This position paper aims to highlight the opportunities present for a more environmentally sustainable, cohesive health and aged care sector.

A more in-depth analysis of our policy positions is available through our [submissions](#) to Government.

POSITION

CHA calls on Government to collaborate on opportunities in climate health through the following:

- Greater co-ordination and cooperation between government and not-for-profit (NFP) healthcare and aged care providers in providing capability uplift with climate and health risk assessments and adaption planning
- Funding for the development of a NFP health and aged care sectoral decarbonisation roadmap
- Strengthening the NFP aged care sector in climate resilience with scenario planning and funding mitigation strategies for improving emergency preparedness
- Implementation of financial incentives to support decarbonisation of the NFP health and aged care sector
- Support collaboration with NFP health and aged care providers on green procurement guidelines and procurement opportunities
- Drive consistency across jurisdictions on waste management legislation for health and aged care providers.



How much does the Australian healthcare sector contribute to greenhouse gas emissions annually?

Australia's healthcare sector is one of the largest contributors to greenhouse gas emissions annually and comprises of seven per cent of Australia's total emissions¹ - which is twice as much as the aviation sector².

Hospitals account for roughly half of the sector's emissions, including the levels of energy consumption for heating, cooling, and powering medical equipment as well as the emissions from waste management and use of anaesthetic gases³.

What role does the NFP health and aged care sector play in a sustainable future?

NFP hospitals and the aged care sector play a crucial role in the Australian healthcare system, providing significant capacity and resources to complement and relieve pressure on the public sector.

Despite this crucial role, the NFP and aged care sector is facing significant challenges which are impacting sustainability and an increasing inability to deliver on expected decarbonisation efforts without financial incentives.

Current funding models for NFP providers are restrictive on supporting decarbonisation efforts and require specific support to be able to prioritise contributions towards the broader health and aged care sectors sustainability goals. Governments have a unique opportunity to support the NFP health and aged care sector to rethink their approach to design and implement more environmentally sustainable care delivery.

What sustainability support are government health services provided with that the non-government sector does not receive?

There are specific initiatives currently available for Australian public hospitals to achieve greater sustainability, including:

- Healthcare sustainability and decarbonisation unit established by State and Territory governments to coordinate progress towards net-zero for public hospitals;
- Joint procurement models across public systems.
- Block funding to support teaching, training and research in public hospitals and public health programs, including those related to decarbonisation efforts; and
- The National Health and Climate Strategy calls for similar schemes such as the [UK Public Sector Decarbonisation Scheme \(PSDS\)](#) to be explored in the Australian context.^{4,5}

These schemes are largely not available to those in the NFP health and aged care sector, even in instances where a provider operates both public and private services. This drives a lack a fractured approach to the implementation of sustainability measures and requires leadership and co-ordination from Government

How can we build a more cohesive and sustainable system across the NFP health and aged care sector?

There is an opportunity for the Government to facilitate cross-sectoral collaboration between public and NFP health and aged care providers. The differing priorities and opportunities between these services make it challenging to implement key initiatives in a coordinated manner across member organisations. This challenge is exacerbated at the interface of health and aged care sectors.^{6,7}

Financial viability issues mean that NFP services require specific strategies to prioritise their contributions towards the broader health and aged care sector's sustainability goals. This will ensure that the sector can collectively progress climate and health adaptation activities in a meaningful manner.

What are some of the current barriers that need to be addressed?

1. There are distinct funding models, structures and strategic priorities between health, aged care, community care,^{6,7} and those that operate across all of these areas. This presents challenges to implement key initiatives in a coordinated manner across organisations.
2. Current limited financial resources restrict the ability of the NFP sector to undertake large-scale projects, such as joint procurement to optimise the medical supply chain and minimise medical waste.⁸ There remains a risk that sustainability compliance measures become increasingly enforced,⁹ without the supporting mechanisms for implementation.
3. Workforce capability uplift is an essential part of any sustainability plan, however, ongoing workforce shortages in Australia have contributed to burnout and limited staff capacity to participate in and/or lead environmental sustainability initiatives. Health and aged care professionals and services, particularly those in regional locations, need targeted support mechanisms to participate and upskill their workforce in sustainability initiatives.

Sources

1. Rivera, Parry, Chanchlani, McGain, Kayak, and Patrick. (2024). *Climate change is the biggest health issue facing the planet. Healthcare professionals deal with the outcomes, but can also be part of the solution.* Pursuit, University of Melbourne. Accessed at: <https://pursuit.unimelb.edu.au/articles/healthcare-has-a-waste-problem-but-we-can-achieve-net-zero>
2. Gregory, Katherine. (2024). *Hospitals take scalpel to waste as health sector's carbon footprint is double that of aviation.* ABC News. Accessed at: <https://www.abc.net.au/news/2024-04-24/hospitals-reducing-carbon-footprints-medical-waste>
3. McGain, Forbes. (2018). *Five ways hospitals can reduce their environmental footprint.* The Conversation. Accessed at: <https://theconversation.com/five-ways-hospitals-can-reduce-their-environmental-footprint-90390>
4. Department of Health and Aged Care. (2023). *National Health and Climate Strategy.* Accessed at: <https://www.health.gov.au/resources/publications/national-health-and-climate-strategy?language=en>
5. Department of Finance. (2024). *Net Zero in Government Operations Strategy.* Accessed at: <https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030>
6. Royal Commission into Aged Care Quality and Safety. (2021). *Final Report Volume 2.* Accessed at: <https://www.royalcommission.gov.au/system/files/2021-03/final-report-volume-2.pdf>
7. AMA. (2023). *Discussion Paper: Rethinking funding models to align with population health goals.*
8. HFMA. (2022). *Hospitals work to make the supply chain green.* Accessed at: <https://www.hfma.org/operations-management/hospitals-work-to-make-the-supply-chain-green/>
9. PwC. (2024). *Sustainability reporting standards and legislation finalised: mandatory sustainability reporting begins.* Accessed at: <https://www.pwc.com.au/assurance/esg-reporting/australian-sustainability-reporting-standards.html>