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Dear Professor Moodie

### **NATIONAL PREVENTATIVE HEALTH TASKFORCE DISCUSSION PAPER**

I am pleased to provide comments on the discussion paper, *Australia: The Healthiest Country by 2020*, on behalf of the Business Council of Australia (BCA), an organisation which represents the chief executives of Australia's top 100 companies.

The BCA has only recently sought to contribute to the health reform debate. Despite its comparatively short review of the issues facing Australian healthcare, it is clear that tackling the growing burden of chronic disease is a key priority. Preventative interventions that reduce the incidence and severity of chronic disease must be a major plank in this strategy. The BCA is pleased therefore to support the major thrusts of the discussion paper; namely, to halt and reverse obesity; reduce the smoking rate to 9 per cent or less, and to reduce the incidence of risky alcohol consumption.

The rise of chronic disease, however, necessitates a major adaptation to a healthcare system designed to deal with a previous pattern of disease. Preventative health measures designed to reduce the incidence or severity of chronic disease are not additional to the health strategy, but rather must be an integral part of it. Dealing with different types of health needs will require adaptation of all parts of the health system, including its bureaucracy.

#### ***Need for rigorous approach to preventative health interventions***

The paper makes clear that a long and sustained effort using education, price signals and targeted programs is required to effect the major changes implied within these targets. The BCA accepts this and urges the establishment of long-term and appropriately resourced programs. However, it also notes that the evidence base on the effectiveness of programs, particularly in the areas of obesity and alcohol consumption, is relatively underdeveloped. In its recent study proposing an economic framework for preventative health, the OECD made clear that significant resources can be wasted in the absence of rigorous and targeted programs for preventative health. The BCA, in supporting a major re-orientation in the health system, is keen to ensure that interventions are based on clear benefit-cost bases and a disciplined approach to evaluation. The BCA therefore supports the discussion paper's proposal to strengthen the evidence base by more systematic

and comprehensive collection of data and evaluations, domestically and internationally. It does not believe that this necessitates the establishment of a national agency. Existing health agencies, including the National Health and Medical Research Council (NHMRC), should be tasked with meeting this challenge as one of the major issues facing Australian healthcare.

***Preventative health should be seen as an integral part of Australia's future healthcare strategy.***

We believe that integration of preventative and curative health strategies is essential to ensure a holistic approach to healthcare system design and individuals' health management. While recognising that the taskforce was perhaps constrained in its capacity to provide more integrated recommendations by its terms of reference, the actions proposed in the discussion paper that relate to the expectations of the primary care system are weaker than might have been expected. Differential price signals through the health system itself, rather than in the product market, are also left unexplored. For example, creating incentives for individuals to have screening reviews that allow those with potential health conditions or risky behaviours to be captured in the system might be an initial step. We also note that many of the proposed actions in the paper represent penalties rather than incentives to change behaviours. For this reason we do not support the establishment of a separate agency.

***Over-emphasis on business regulation***

By its focus on actions that might influence behaviour outside the health system, the discussion paper has also led to an overemphasis on business regulation as a means of re-engineering supply. The BCA consistently seeks the simplification and streamlining of business regulation. Many of the proposals around generic packaging, restricted access and advertising limits will add to regulation and compliance costs of what at this stage are legal products. We are also aware that an illegal trade already exists for tobacco and do not believe it beneficial to create incentives for its expansion.

***Symptoms and causes***

We understand that any approach to preventative health must deal with the presenting problems: obesity, risky alcohol consumption and smoking. However, we are interested that the paper has made little attempt to understand some of the underlying causes of risky or addictive behaviours or the convergence of presenting behaviours with other issues; for example, the incidence of mental illness or entrenched social disadvantage. We would expect, as we have seen with smoking reduction and other public education campaigns, that general programs based on the assumption of free choice will be effective for many individuals. But there will also be another group for whom the behaviour is addictive and linked to other health problems. Again this reinforces the need for the national preventative health strategy to be integrated with physical and mental health strategies and with programs aimed at reducing entrenched disadvantage. We would recommend therefore, including in further iterations of this strategy, the proposed coordination points within government essential for its success.

***Support for workplace interventions***

The BCA supports the strengthening focus on preventative health initiatives in workplaces. Indeed many of its members already provide access to screening, vaccination and fitness programs. Using the workplace as an access point makes sense in terms of accessing large numbers of people. The BCA alone accounts for one million employees and with families, this would represent a large catchment population. Better advice and information about program establishment would assist

the expansion of these programs. Ensuring too that the priority afforded this policy objective is also reflected in tax policy would also assist take-up rates. We would expect to be consulted on the nature of the initiatives, prior to any being mandated.

We would urge the taskforce to identify points of intervention, too, for the unemployed, particularly as the unemployment rate is set to increase. Being temporarily out of the workforce without access to preventative health programs may be a time of greater risk in terms of health management.

### **Price signals**

One of the characteristics of Australia's healthcare system is the lack of direct relationship between cost of service and service use. This is a strength inasmuch as it provides a strong universal access to healthcare. However as the nature of individual health expenditure changes and incorporates more discretionary items (linked to the growth in health expenditure as per capita income rises), there is an argument for strengthening price signals in the system. As a first step we believe that greater transparency would be achieved by linking, at least in an informational sense the collection of health-related taxes, including licence fees for tobacco, alcohol and any proposed surcharges on 'bad foods', to health expenditures, including preventative health initiatives.

### **Concluding comment**

The BCA strongly supports the development of a strong preventative health focus within an integrated health strategy. The BCA supports the thrusts of the overall targets, but considers that, in the next iteration of the strategy, the actions proposed need to be sharpened and linked more clearly to the other elements of health and social policy, with specific targets and accountabilities established. In many instances, it is difficult to find a connection between the actions proposed and the directions inferred from the questions posed. This possibly reflects a) the lack of integration with other health policy reviews; and b) the lack of a solid evidence base for strategies in the obesity and alcohol areas, as identified by the taskforce itself.

We look forward to the further development of this work.

Yours sincerely



Melinda Cilento  
Deputy Chief Executive