



Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Inquiry into the *Australian National Preventive Health Agency (Abolition) Bill 2014*

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to provide input to the Senate Community Affairs Committee Inquiry into the *Australian National Preventive Health Agency (Abolition) Bill 2014*.

CHF is the national peak body representing the interests of Australian health care consumers. CHF works to achieve safe, quality, timely health care for all Australians, supported by accessible health information and systems. As such, CHF and its members have a strong interest in ensuring that our health system delivers and meets these principles.

Our submission into the *Australian National Preventive Health Agency (Abolition) Bill 2014* draws on the years of work we, our members and consumer representatives have done with the Australian National Preventive Health Agency (ANPHA) and preventive health at large. CHF does not support the abolition of ANPHA and opposes this bill.

CHF believes that the intent behind the bill focuses too narrowly on the costs associated with operating ANPHA and has missed the broader savings which can be realised by promoting a preventive health care system. The abolition of ANPHA will result in minimal streamlining of Government services and short-term savings without promoting strategies which will result in a healthier Australia and long-term savings to the health budget by reducing preventable chronic illnesses.

ANPHA is a critical component for a health care system that promotes wellness rather than treating sickness and puts consumers at the centre of care. Its abolition represents a dramatic step backwards from this vision. There is zero cost to the health care system for consumers who are healthy. These long-term savings can be directed for the treatment of consumers who are facing acute health problems or chronic conditions.

CHF puts forward that allowing for such an increase in costs to the health budget from preventable chronic diseases is unsustainable and not a long-term strategy. The small cost to operate ANPHA to oversee the reversal of billion-dollar increases in health care is, perhaps, the best possible use of Commonwealth funds to promote long-term savings than any other initiative the Government might put forward.

If the Government is concerned about duplication in work between ANPHA and the Department of Health, then CHF proposes that the solution is not to abolish ANPHA, but to amend the *Australian National Preventive Health Agency Act 2010* and other applicable laws to clearly define the lines of jurisdiction, leaving ANPHA in place to target the issue of preventive medicine and the promotion of wellbeing.

With chronic illnesses on the rise and consuming an ever larger portion of the health budget, Australia needs models of care that will support preventive health to keep consumers healthy and out of the hospital. The minimal savings the Government will realise from the abolition of ANPHA will be dwarfed by the rise of presentations of otherwise preventable chronic illnesses to the health care system, wreaking havoc on the long-term budget and the long-term health of Australia.

CHF appreciates the opportunity to provide a submission to the Senate Community Affairs Committee Inquiry into the *Australian National Preventive Health Agency (Abolition) Bill 2014*. We would welcome the opportunity to expand on this submission at a hearing of the Inquiry.

Yours sincerely

Adam Stankevicus
Chief Executive Officer
6 June 2014



**CHF Submission to the Senate Community Affairs Committee
Inquiry into the *Australian National Preventive Health Agency
(Abolition) Bill 2014***

June 2014

Consumers Health Forum of Australia

Introduction

The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

Our submission into the *Australian National Preventive Health Agency (Abolition) Bill 2014* draws on the years of work we, our members and consumer representatives have done with the Australian National Preventive Health Agency (ANPHA) and preventive health at large. CHF does not support the abolition of ANPHA and opposes this bill.

CHF believes that the Government has focused too narrowly on the costs associated with operating ANPHA and has missed the broader savings which can be realised by promoting a preventive health care system. The abolition of ANPHA will result in minimal streamlining of Government services and short-term savings without promoting strategies which will result in a healthier Australia and long-term savings to the health budget by reducing preventable chronic illnesses.

ANPHA is a critical component for a health care system that promotes wellness rather than treating sickness and puts consumers at the centre of care. Its abolition represents a dramatic step backwards from this vision. There is zero cost to the health care system for consumers who are healthy. These long-term savings can be directed for the treatment of consumers who are facing acute health problems or chronic conditions.

Development of ANPHA

The Minister for Health and Minister for Sport stated in his introduction of the bill that the primary reason ANPHA was established was to “focus on the prevention of the harmful use of alcohol, on obesity and on tobacco.”¹ Although these measures were explicitly mentioned in the *Australian National Preventive Health Agency Act 2010*, ANPHA was not intended to be limited to those categories alone.

The *National Partnership Agreement on Preventive Health*, agreed to by the Council of Australian Governments (COAG) in November 2008, described the purpose of the compact as follows:

[To support] all Australians in reducing their risk of chronic disease by embedding health behaviours in the settings of their pre-schools, schools, workplaces and communities, by instituting programs across smoking, nutrition, alcohol, and physical activity (SNAP) risk factors which mobilise the resources of the private, public and non-government sectors.²

Subsequently, the *Australian National Preventive Health Agency Act 2010* established the following core functions for ANPHA:

- to effectively monitor, evaluate and build evidence in relation to preventive health strategies;
- to facilitate a national health prevention research infrastructure;
- to generate new partnerships for workplace, community and school interventions;

¹ Commonwealth of Australia. House of Representatives. (2014). *Parliamentary debates (Official Hansard)*. Retrieved from http://parlinfo.aph.gov.au/parlInfo/genpdf/chamber/hansardr/b93d9c6e-c89b-4e3b-815b-42d1e54f2e99/0019/hansard_frag.pdf

² *National Partnership Agreement on Preventive Health* (2008), p.4. Retrieved from http://www.federalfinancialrelations.gov.au/content/npa/health_preventive/national_partnership.pdf

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- to assist in the development of the health prevention workforce;
- to coordinate and implement a national approach to social marketing for preventive health programs.

These are broad-based programs that go beyond the limited scope of preventing alcohol and tobacco use, and to reduce obesity, even though those are vital components to improving overall population health. ANPHA exists to promote overall wellness through evidence-based preventive health measures that promote physical activity, better nutrition, and healthy habits to reduce the risk of developing preventable chronic illnesses, not just obesity and its comorbidities.

CHF's Understanding of the Intent to Abolish ANPHA

The principal reasons that have been put forward for the abolishment of ANPHA are to:

- streamline and better coordinate public health efforts that are currently spread across two agencies and remove duplication and unnecessary costs.
- resolve issues of demarcation of responsibilities between ANPHA and DoH
- promote the philosophy that individuals need to take responsibility for lifestyle actions that affect their health³

CHF recognises that our universal health care system is facing increasing constraints in delivering on its core objectives. CHF understands that the Government will need to re-align health spending priorities. However, as the growth in incidence of long-term chronic illness has been a leading pressure on health expenditures, we cannot ignore the value an agency like ANPHA can play in reducing long-term costs to the health portfolio at minimal expense.

The National Commission of Audit identified 40 staff under ANPHA's jurisdiction, against 5,501 for the entire health portfolio⁴. The Government has estimated that abolishing ANPHA will save it \$6.4 million over the next four years, against overall savings of \$8.6 billion in the same period. However, CHF believes that the Government has not taken into account the long-term savings which could be realised through the prevention of chronic diseases before they become burden on the health care system.

CHF agrees in part with the Government that every consumer has a measure of personal responsibility in choosing and adhering to healthy lifestyle choices; however, it does not accept putting the entire burden of wellbeing on the individual. Such a policy ignores the trend of chronic illness across the country, as well as the lack of support persons living in chronic disadvantage face in accessing adequate nutrition and health education.

³ Commonwealth of Australia. House of Representatives. (2014). *Parliamentary debates (Official Hansard)*. Retrieved from http://parlinfo.aph.gov.au/parlInfo/genpdf/chamber/hansardr/b93d9c6e-c89b-4e3b-815b-42d1e54f2e99/0019/hansard_frag.pdf

⁴ National Commission of Audit. (2014). *Towards Responsible Government*. Canberra: Australian Government Publishing Service.

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Effect of and Alternatives to Consolidating ANPHA to Other Agencies

In 2008, the year COAG agreed to the *National Partnership Agreement on Preventive Health*, obesity was estimated to cost the Australian economy \$58 billion per year, according to the Australian Bureau of Statistics⁵. That was an increase from \$21 billion in 2005⁶. It has been estimated that every percentage point rise in obesity results in an additional \$4 billion cost to the national wellbeing⁷.

CHF puts forward that allowing for such an increase in costs from preventable chronic disease is unsustainable. The cost to the Government of \$2 million per year to fund an agency to oversee the reversal of billion-dollar increases in health care is, perhaps, the best possible use of Commonwealth funds to promote long-term savings more than any other initiative the Government might put forward.

Since its establishment, the staff at ANPHA has overseen a suite of grants and fellowships for the promotion of preventive health initiatives and research. These millions of dollars are going towards helping Australians today. CHF believes this policy should continue, and would be of greater, immediate value than the proposals for a research budget that might produce dividends in decades hence.

By abolishing ANPHA, the health care system will lose the flexibility to respond to trends in preventable illnesses with campaigns and programs to promote healthier lifestyles. The resulting health costs will more than eliminate whatever savings were realised by the elimination of ANPHA. It will be a net negative to the long-term budget and long-term health of the nation.

If the Government is concerned about duplication in work between ANPHA and other agencies, then CHF proposes that the solution is not to abolish ANPHA, but to amend the *Australian National Preventive Health Agency Act 2010* and other applicable laws to clearly define the lines of jurisdiction, leaving ANPHA in place to target the issue of preventive medicine and the promotion of wellbeing.

CHF might support the transfer of the administrative and overhead functions of ANPHA to DoH, thus allowing the agency to spend even more of its budget on the direct provisions of grants and programs to communities in its campaign to promote wellness; but the elimination of ANPHA entirely is not supported.

Conclusion

With chronic illnesses on the rise and consuming an ever larger portion of the health budget, Australia needs models of care that will support preventive health to keep consumers healthy and out of the hospital. CHF opposes passage of this Bill, as it represents a step backwards from the kind of health care system needed for the future. The minimal savings the Government will realise from the abolition of ANPHA will be dwarfed by the rise of presentations of otherwise preventable chronic illnesses to the health care system, wreaking havoc on the long-term budget and long-term health of Australia.

⁵ Australian Bureau of Statistics. (2013, January). *Gender Indicators, Australia* (no. 4125.0). Available from <http://www.abs.gov.au/>

⁶ Stephen C., Crystal L., Ruth C., Dianna M., Jonathan S., Paul Z., and Ian C. (2009). *The cost of overweight and obesity in Australia*. *Med J Aust* 2010; 192 (5): 260-264.

⁷ Wade, M. (2013, March 9). Obesity costs drag down national good. *The Sydney Morning Herald*. Available from <http://www.smh.com.au/national/health/obesity-costs-drag-down-national-good-20130308-2fr0b.html>

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Representing consumers on national health issues



The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian health care consumers. CHF works to achieve safe, quality, timely health care for all Australians, supported by accessible health information and systems.

CHF does this by:

1. advocating for appropriate and equitable health care
2. undertaking consumer-based research and developing a strong consumer knowledge base
3. identifying key issues in safety and quality of health services for consumers
4. raising the health literacy of consumers, health professionals and stakeholders
5. providing a strong national voice for health consumers and supporting consumer participation in health policy and program decision making

CHF values:

- our members' knowledge, experience and involvement
- development of an integrated health care system that values the consumer experience
- prevention and early intervention
- collaborative integrated health care
- working in partnership

CHF member organisations reach Australian health consumers across a wide range of health interests and health system experiences. CHF policy is developed through consultation with members, ensuring that CHF maintains a broad, representative, health consumer perspective.

CHF is committed to being an active advocate in the ongoing development of Australian health policy and practice.