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Forum **OF** Australia

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Recommendations

Overall Health Policy

Health as an Investment

CHF calls on the Federal Government to adopt a Wellness Budget to ensure all government policy supports health and wellbeing.

Health in all Policies

CHF calls on the Federal Government to fund and implement a Health in All Policies approach.

CHF calls on the Federal Government to permanently increase income support payments to a level that enables people to live above the poverty line as a critical first step to address the social determinants of health.

CHF calls on the federal Government to take a leadership role in working with state and territory governments to coordinate and pool funding to urgently build more social housing to meet demand, as well as joint investment in other public and community infrastructure.

CHF calls on the Federal Government to develop and resource a National Strategy on Climate, Health and Wellbeing.

Consumer Capacity Building

Youth Health Forum

CHF calls on the Federal Government to fund the Youth Health Forum for a further three years to ensure the voices of young health consumers are heard.

Australian Consumer Leadership Academy

CHF calls on the Federal Government to provide funding to establish an Australian Consumer Leadership Academy with the objective of developing a pipeline of consumer leaders with the skills and expertise to occupy high level positions in the health system.

Health Peak and Advisory Bodies Program

CHF calls on the Federal Government to increase the funding for the Health Peak and Advisory Bodies Program to a level that restores its capacity to support a robust and diverse non-government voice and engagement in health policy.

Primary and Integrated Care

Social Prescribing in Primary Care

CHF calls on the Federal Government to incorporate social prescribing into the Commonwealth's 10-Year Primary Health Care Plan.

CHF calls on the Federal Government to work with States and Territories and local councils to identify and fund local community services and groups that could contribute to a national social prescribing scheme.

CHF calls on the Federal Government to work with the education and training sectors to build capacity in the health workforce to undertake the 'link worker' role, including training, qualifications, and skills.

Improving Primary Health Care

CHF calls on the Federal Government to increase investment in primary health with the first step to increase the Medicare Benefits Schedule rebates for Primary Health services, for General Practitioners and others with the aim of at least restoring the real value of the rebates

Digital Health

CHF calls on the Federal Government to fund a national network of digital health navigators to improve digital health literacy and enhance equitable access to digital health services.

Oral and Dental Care

CHF calls on the Federal Government to develop a plan to move to a universal dental health scheme. The first step should be the establishment of a Seniors Dental Benefit Scheme, modelled on the Child Dental Benefit Scheme to provide access to services for older people living in residential aged care facilities (RACF), those receiving aged care community packages or those who receive the aged pension or qualify for the Commonwealth Seniors Health Card.

Population and Preventive Health

COVID

CHF calls on the Federal Government to fund access to all pandemic testing and treatment services to ensure cost is not a barrier to access.

Centre for Disease Control

CHF calls on the Federal Government to establish a national Centre for Disease Control.

Preventive Health

CHF calls on the Federal Government to commit to increasing total expenditure on preventive health as the first step on way to the five per cent target in the National Preventive Health Strategy.

Private Health Insurance

CHF calls on the Federal Government to send a reference to the Productivity Commission to conduct an inquiry into the benefit of government involvement in the Private Health Insurance sector.

CHF calls on the Federal Government to leave the Private Health Insurance tax rebate at current levels.

Introduction

The Consumers Health Forum of Australia (CHF) recognises that the Federal Budget this year is being developed at time when governments across the country are dealing with the society wide impact of the COVID pandemic. The health system's capacity to meet the extraordinary demands that have been placed on it for the last two years and which will continue into the next year has been tested. What we have seen is that overall, our health system has been able to continue to provide high quality care but there are cracks emerging that will widen and last longer than the epidemic.

There have been and will continue to be pressure on all government's finances, with unexpected expenditure and slowdown in economic activity impacting on revenues. What is becoming increasingly clear is that there needs to be additional investment in health, to meet the ongoing demands of this epidemic and to restore the health system after it is over. We need to make sure that the lessons are learnt about underinvesting in health, as we have seen that without a healthy and safe population it is impossible to deliver on some of the other goals, we have as a community. CHF has called for health to be treated as an investment rather than an expenditure item and we strongly reiterate this call in this submission.

The COVID pandemic has also highlighted the need for more positive steps to building a cohesive national health system. We have a mixed public/private system in Australia, and we need measures that foster collaboration rather than competition between the two sectors. We also need to address the perennial issue of Commonwealth-State cost and blame shifting in the health system. Whilst the COAG system had its problems of accountability and slow decision-making processes that National Cabinet that replaced it has not, yet, shown a greater capacity to pull the health system together.

Approach in this Submission

This Budget will be delivered just before federal election. CHF will be putting out an election strategy, highlighting the key areas that we believe need reform and significant increased investment over the three years of the next Parliament. In this Budget we are looking for down payments in key areas of health expenditure, including primary health, prevention, and oral health. We are also calling for action on social determinants of health, such as increasing the Jobseeker payments to address the health inequality that comes from poverty and social disadvantage. The COVID pandemic has highlighted the importance of the social determinants of health as different groups within the population have experienced its impact in quite different ways.

One of CHF's strategic objectives is to partner with purpose, and we work with other like-minded organisations to try to achieve our objectives. As well as our own specific recommendations we support recommendations from other groups which have more expertise on these issues. We support the recommendations on oral health and dental care put forward by the National Oral Health Alliance, the recommendations on income support and social housing from ACOSS and the aged care recommendations from the Council on the Ageing (COTA).

Issues

Overall Health Policy

Health as an Investment

CHF calls on the Federal Government to fund and implement a Health in All Policies approach and adopt a wellness budget to ensure all government policy supports health and wellbeing.

Why this matters

Health expenditure is an investment in human capital. Investing in the health system not only saves lives, but it is also a crucial investment in the wider economy. This is because ill-health impairs productivity, hinders job prospects and adversely affects human capital development. Michael Brennan, Chair of the Productivity Commission, in his address to the CHF members Forum in 2019, made the point that we have had significant improvements in life expectancy that are due to “technological innovations such as anti-biotics, vaccines, statins, MRI, pathology, high quality anaesthetics and new surgical techniques. All of these have been major technological innovations. All of them have made our system better. Not one of them made it cheaper.”¹

Australia has a world class health system with universal access to health services through Medicare and access to a wide range of medicines through the Pharmaceutical Benefits Scheme. However, there is room for improvement. Many of the necessary reforms need additional expenditure now for society to reap the longer-term benefits. They also put an emphasis on sickness and there is not enough emphasis on promoting wellness and well-being. CHF welcomes the Government’s commitment to the National Preventive Health Strategy with its emphasis on promoting well-being and committing to a target of 5 per cent of health expenditure to go on preventive health measures which starts to address this issue.

The COVID pandemic has clearly illustrated the need to ensure a healthy population to deliver on the economic as well as social wellbeing of the country. In the most recent Omicron wave, we have seen supply chains disrupted, businesses not able to operate and the subsequent economic slowdown because staff were off because of the virus. The pandemic has highlighted some major problems in our health system which have been caused by many years of lower than optimum levels of funding with the push to do more with less or at least the same. This is no longer sustainable.

There needs to be increased expenditure in many areas and an end to the constant drive for efficiencies and constraining health expenditure as some predetermined percentage of GDP that does not consider changing priorities and increased levels of demand.

¹ Michael Brennan 2019 *Healthcare: a wide angled view* Speech to CHF members Forum 2019

Health in all Policies

CHF calls on the Federal Government to fund and implement a Health in All Policies approach and consider adopting a wellness budget to ensure all government policy supports health and wellbeing.

CHF calls on the Federal Government should permanently increase income support payments to a level that enables people to live above the poverty line as a critical first step to address the social determinants of health.

CHF calls on the federal Government to take a leadership role in working with state and territory governments to coordinate and pool funding to urgently build more social housing to meet demand, as well as joint investment in other public and community infrastructure.

CHF calls on the Federal Government to develop and resource a National Strategy on Climate, Health and Wellbeing.

Why this Matters

The last two years of the COVID_19 pandemic have clearly illustrated the importance of the social determinants of health in determining people's capacity to deal with major health events. We saw moves to find temporary homes for the homeless, we saw increases in income support payments and a raft of other community initiatives as it became clear that the most vulnerable and disadvantaged in our community were going to be those hardest hit by both the virus and the consequences of preventive measures such as lockdowns. We also saw the positive impact of those measures.

It is now time to address these on a longer-term basis. A good starting point would be the adoption of a Health in All Policies framework, The World Health Organisation (WHO) defines a health in all policies approach an approach to public policies across sectors that systematically considers the health implications of decisions, seeks synergies, and avoids harmful health impacts, to improve population health and health equity. It acknowledges the fact that health policy and services do not exist in isolation and that policies in widely disparate areas of the economy and society may have health consequences and require additional investment in health services if not addressed. Other countries have already adopted this approach and CHF is urging the federal government to follow suit.

CHF has been a long-time supporter of the Raise the Rate campaign to increase income support payments as we know people on lower incomes and certainly those living well below the poverty line have poorer health outcomes. We saw with the COVID supplements that people dependent on income support were able to improve their nutrition and housing and, in some cases, no longer had to choose between eating and accessing health care including getting prescriptions filled. CHF supports calls from ACOSS and other to increase the base level of income support to move people above the poverty line.

Access to reasonable quality and affordable housing is another key contributor to better health outcomes. We have seen boom conditions in the housing market through the COVID pandemic, with both house prices soaring in many areas, including regional Australia and rents following the same pattern. There are structural reasons for the high cost of housing in Australia issues which will need to be addressed in the longer term. Part of the solution is to increase the supply of affordable housing by increasing expenditure on social housing. This is

not just a Commonwealth responsibility, and the States and Territories need to also commit to more funding, but CHF believes that the Commonwealth Government should take a strong leadership position, both in terms of offering funding and designing a collaborative arrangement with the States/Territories so they can also contribute

The impact of climate change is becoming increasingly too many Australians, as we see extreme weather records being broken regularly. Australian individuals, families and communities are at risk of health impacts from heatwaves, extreme weather, and changing patterns of disease associated with global warming.

But unlike many nations, Australia has no national strategy to respond to this serious risk. Experts are calling for Australia to implement a national strategy on climate, health, and wellbeing. CHF joins with all the other member of the Climate and Health Alliance in calling for a National Strategy on climate, health and well-being and supports CAHA's **Healthy, Regenerative and Just**, framework for how to create such a strategy to reduce emissions, tackle inequality and improve health.

Consumer Capacity Building

Youth Health Forum

CHF calls on the Federal Government to fund the Youth Health Forum for a further three years to ensure the voices of young health consumers are heard.

Why this matters

In 2018 CHF established the Youth Health Forum and sought funding for it to ensure the voice of young health consumers was heard in all policy discussions and that their lived experiences in the health system were considered in service design and reform agendas. The Government provided three years funding for the Youth Health Forum from 2019 to 2022.

The Youth Health forum (YHF) is a co-led initiative and provides the opportunity for capacity building for young people to become leaders, to promote the voice of young people at the coalface right through to policy work. CHF have provided the opportunity for the YHF to provide a position of advocacy and position-statements for and on behalf of young people.

We have had three years of activity and a proven track record and have built a network of 100 young consumers, with a group of 12 young leaders providing leadership within the broader group and supporting CHF to set the direction of activities of the YHF and the policy positions it has taken.

Close ties with youth health organisations across the country, including the Primary Health Networks (PHNs), Oyrgen, headspace, Canteen, and other consumer advisor networks, have ensured that the reach of the YHF is much greater than the current membership and that it reflects the views and needs of a broader group of young people.

The last two years of the pandemic has shown that young people's experience of the health system is different from other age cohorts and requires some nuanced responses. It is important that young people's lived experience informs the policy debate, and any policy responses are co-designed. CHF is aware that Australian Research Alliance for Children and Youth and the Australian Association for Adolescent Health have both received funding

through the Health Peak and Advisory Bodies Program to commence in June 2022. The work of the YHF is complementary to this work with the key difference being that it is led by young health consumers with lived experience with a focus on authentic co-design.

Another three years funding would allow consolidation of the work of the YHF by allowing us to build a stronger network and develop a larger and more representative group of younger skilled consumers for Government and government agencies to work with.

Australian Consumer Leadership Academy

CHF calls on the Federal Government to provide funding to establish an Australian Consumer Leadership Academy with the objective of developing a pipeline of consumer leaders with the skills and expertise to occupy high level positions in the health system.

Why this matters

There is a robust body of evidence that shows when consumers are engaged in their health care and decision making, health outcomes improve, and resources are allocated more efficiently.

We have heard much about health care providers partnering with consumers and community and it is explicitly identified in the National Safety and Quality Health Service Standards. Partnering with consumers and community is about healthcare organisations, providers, policy makers and researchers actively collaborating with consumers to ensure that health policy, information, systems, and services meet their needs. To do this in a sustainable way requires investment in training and development that enables consumers to utilise and be recognised for their skills and knowledge and to effectively partner in the development and improvement in healthcare. Importantly, providing further training and development options for consumers supports them to effectively operate as a significant partner in the health system and enables them to impact on policy, planning, delivery, evaluation, and monitoring of healthcare policy, systems, and processes.

Building competent and capable consumer leaders is internationally recognised as essential to drive positive change in the health system. Australia has been at the forefront of consumer participation for several decades but without the opportunity to provide a pathway for formal recognition of skills and expertise, the ability for consumers with lived experience to occupy senior, influential roles is limited. It is essential moving forward that consumer leaders are considered a significant partner at both the governance and executive levels in health.

Health Peak and Advisory Bodies Program

CHF calls on the Federal Government to increase the funding for the Health Peak Advisory Body Program to a level that restores its capacity to support a robust overall non-government voice and engagement in health policy.

Why this matters

Non- government organisations play a key role in our civil society by providing an independent source of information on which issues are of concern to the community. They are also an alternate service provider, offering grassroots connections, accessing the harder to reach groups within our society, capacity to be flexible and innovative and overall offering value for money to the taxpayers.

The Program Guidelines for the Health Peak and Advisory Bodies Program say the Government recognises the important role health peak advisory bodies play in informing and supporting the achievement of positive health outcomes. Health peak and advisory bodies (peak bodies) build ongoing capacity in their sector by improving linkages, networks and cooperation with their members, the health sector, the wider community, and the Australian Government. The Australian Government values the role that peak bodies play in informing health policy by actively consulting with their members to ensure that the views of their sector are equally and fully represented to the Commonwealth.

The Program was established in 2016 and there have been three rounds of funding under the program. The quantum of funds has not been increased and its value has declined over that period. This, along with tightening of the funding guidelines, means that increasingly peak bodies must augment their funding from other sources and are in effect subsidising the work they do for government. Their capacity to deliver on what the Government is looking for and what they have the potential to do is being severely curtailed.

Primary and Integrated Care

Primary Health Care

CHF calls on the Federal Government to incorporate social prescribing into the Commonwealth's 10-Year Primary Health Care Plan.

CHF calls on the Federal Government to work with States and Territories and local councils to identify and fund local community services and groups that could contribute to a social prescribing scheme.

CHF calls on the Federal Government to work with the education and training sectors to build capacity in the health workforce to undertake the 'link worker' role, including training, qualifications, and skills.

CHF calls on the Federal Government to increase investment in Primary Health with the first step to increase the Medicare Benefits Schedule rebates for Primary Health services, for General Practitioners and others with the aim of at least restoring the real value of the rebates

Why this matters

CHF welcomed the development of the 10 Year Primary Health Plan and look forward to its release and implementation. Both the increased funding for MBS rebates for general practice and the establishment of a social prescribing scheme would be important first steps in the implementation of the Government's 10 Year Primary Health Plan.

Many parts of the health system operate in silos – aged care, disability, mental and physical health – and fee-for-service funding drives a transactional approach to care. Social prescribing moves away from that model by putting in place a mechanism to link people to a range of health and social services that can support them to reach their health goals.

The benefits of, and outcomes from, social prescription are well known and documented. Social prescription will form key component of whole of person care embedded in a national rollout of collaborative commissioning, with delivery through a funded network of care coordinators and health system navigators, including digital navigators.

Australia's overweight and obesity rates for adults in Australia are significantly higher than the average for developed nations, with continuing increases over recent years. Developing a National Obesity Strategy is a key element of the Preventive Health Strategy and includes important actions to address this issue at a population level.

For the 10 Year Plan to be successful it needs a strong and sustainable primary health care workforce. The evidence suggests that primary health care providers are still feeling the impact of the freeze on Medicare Benefits Schedule (MBS) rebates as there was no catch up and so the real value of the rebate has diminished over time. General practice has been asked to bear much of the burden of COVID: doing vaccinations, managing patients in the community, and helping consumers navigate the complex and confusing public health message. Without an injection of funding is not at all certain that there will be a workforce to deliver on the next wave of reforms.

A first step would be to restore the value of the MBS rebate prior to the freeze and commit to full indexation. There then needs to be work done on the total funding package for primary health care which would flow out of the implementation of the 10-year plan.

Digital Health

CHF calls on the Federal Government to fund a national network of digital health navigators to improve digital health literacy and enhance equitable access to digital health services.

Why this matters

There has been an expansion of digital health systems, with people using telehealth, virtual care and monitoring services as well as digital means to find health information, keep records and make appointments. During the COVID pandemic we saw the roll-out of telehealth for both primary and specialist care, electronic prescribing and many parts of the health system looking at how to move to virtual care and see it a part of business as normal even after the pandemic has abated.

This move has put additional on pressure on consumers to be able to manage their own care and so we need initiatives that improve both health literacy and digital literacy so people can use the tools that are available to them. CHF welcomed the inclusion of the development of a health literacy strategy in the National Preventive Health strategy and the need for a digital health literacy strategy within the National Digital Health Strategy.

The health system is complex and difficult to navigate for many consumers. Add into this the need to have good digital literacy skills and many consumers are going to need assistance to ensure they get the benefits from this new way of doing business. There is currently no role in primary healthcare or the community sector that provides digital support for both provider and patient.

The latest Telstra Digital Inclusion Index highlights the importance of digital ability in terms of inclusion and, of concern, indicates that the most vulnerable groups in terms of health are lowest on the inclusion on the digital ability measure. CHF is looking for the establishment of a pilot program of digital navigators. Pilots should be undertaken in priority communities to support consumers to access and optimise their use of digitally enabled health care.

A pilot project should focus on a range of approaches and links to “best fit” in terms of delivery in diverse areas of need, based in identified areas of low digital inclusion. This should include diverse collaboration with a variety of organisations including Primary Healthcare Networks and community organisations, based on capacity to “reach” low digital inclusion populations and cohorts.

Equitable virtual health requires addressing overlapping issues of access to technology with literacy, health literacy and digital literacy. Trialling the ‘Digital Health Navigator’ role in primary care is an innovative approach to reducing this digital health divide. It would provide digital support to both provider and patient according to their specific health needs, and support providers to understand patient benefits and use of digital health.

CHF is fully committed to co-developing this concept as an opportunity to support consumers to benefit from digital technology and enhance preventative health care and consumer’s ability to self-manage their health and care.

Oral and Dental Care

CHF calls on the Federal Government to develop a plan to move to a universal dental health scheme. The first step should be the establishment of a Seniors Dental Benefit Scheme, modelled on the Child Dental Benefit Scheme to provide access to services for older people living in residential aged care facilities (RACF), those receiving aged care community packages or those who receive the aged pension or qualify for the Commonwealth Seniors Health Card.

Why this matters

Despite a significant and growing body of evidence that shows the positive relationship between oral health and overall health status, there is no universal coverage in Australia. Most oral health and dental care services are provided in the private sector on a fee for service basis and access to oral health care is inequitably distributed in Australia. Oral health status is one of the worst disparities in the Australian health system.

CHF research on out-of-pocket costs in 2018 showed that the cost of health services is a real barrier to access and people either delay treatment or must make difficult decisions about going without other necessities to pay for some kinds of health care. It was common for consumers to delay or defer completely seeking dental health care.

There is inadequate attention to investing in prevention, in addressing the causes of dental disease and in fostering stronger community attention to oral health hygiene and eating habits. As a result, too many Australians suffer preventable oral disease and more than 60,000 Australians are hospitalised each year because of oral conditions, which is an unnecessary health burden for consumers and an unnecessary cost to the health system.

Support for quality oral health services has gone backwards over the last several years with public waiting lists for dental care blowing out to almost two years in some areas and no national oral health care plan in place to address the broader issues around prevention and oral healthcare.

There are vulnerable groups within the community who have particularly bad oral health and CHF wants to target those groups. Older Australians, particularly those on lower incomes and

those living in residential aged care are one such group. The Royal Commission into Aged Care Quality and Safety (RCACQS) recommended the establishment of a Seniors Dental benefit Scheme (SDBS),² which would operate in a somewhat similar way to the existing Child Dental Benefits Scheme. It would provide funding for individuals to get treatment from either the private or public system. It would target the more vulnerable amongst the older population by supporting people living in residential aged care facilities (RACF), those receiving aged care community packages or those who receive the aged pension or qualify for the Commonwealth Seniors Health Card. It should ensure some of the most at-risk populations receive adequate and timely oral healthcare. Whilst the RCACQS did not specify the funding requirements, CHF supports the position of the National Oral Health Alliance in calling for the scheme to focus on essential oral healthcare requirements to maintain a functional dentition as well as to maintain and replace dentures. We believe that dedicated funding for these at-risk populations will have a direct impact on reducing overall government spending on avoidable hospitalisations and malnutrition issues attributed to poor oral health function.

Population and Preventative Health

COVID

The Federal Government to fund access to all pandemic testing and treatment services to ensure cost is not a barrier to access.

Why this matters

The COVID pandemic has highlighted some of the inequities within our health system with people's capacity to access vaccinations, testing and then related treatments varying geographically and across different groups within the population. There is a growing feeling amongst consumers that care is again being dictated by postcode and the capacity to pay.

Timely and affordable access to testing is critical for people to be able to manage the infection and their lives. Many people will need to be tested to be able to continue to work and to undertake carer responsibilities for vulnerable family members. People in lower paid and precarious employment cannot afford to pay for tests in an unregulated market. Governments have moved away from the health professional and free PCR tests to the self-administered versions, for quicker results and to take pressure off over stretched pathology services and collection centres. This move has benefitted many consumers as it is more convenient, and results are quicker. The downside has been a lack of supply and cost.

There are sound economic reasons why self-administered tests (Rapid Antigen Tests) should be free and supply should be guaranteed as has been done in the United Kingdom. Many experts are saying it will be some time before COVID becomes endemic and it is likely that there will be a need for a robust testing regime for some time to come.

We are seeing new treatments for COVID being developed and brought onto the market in Australia. It is imperative that these be listed on the PBS and funded by some other

² Royal Commission into Aged Care Quality and Safety. Final Report: Care, Dignity and Respect. Available from: <https://agedcare.royalcommission.gov.au/publications/final-report>

mechanism until such a listing can be arranged. Of equal concern is that all of them require a positive COVID test and commencement of treatment early on, within the first five days of acquiring the infection. Presently, this would be challenging for many people because they are not able to easily access a test in a timely way. Access to this treatment should not be dictated by capacity to source and/or pay for a test.

Centre for Disease Control

CHF calls on the Federal Government to establish a national Centre for Disease Control.

Why this matters

The COVID-19 pandemic has highlighted Australia's need to respond, coordinate and manage communicable diseases and outbreaks. It is likely that COVID-19, including new strains and outbreaks, will circulate for some time, and that other new and existing diseases may emerge. There is clearly a need for more independent, focused, national coordinating mechanism that pulls together information from global sources and experts, advice from Australian Technical Advisory Group on Immunisation and the Australian Health Protection Principal Committee and becomes the central point for advice and information.

Australia is the only OECD country that does not have an established national authority of this type. A fully funded National Centre for Disease Control would offer a structure to harness leadership and expertise, and offer excellence, in strategically researching, advising, educating, preventing, and managing these threats.

A National Centre could focus on both current and emerging communicable disease threats, engage in global health surveillance, health security, epidemiology, and research. It is important that it have a decision-making authority and would work with the State and Territories to identify, plan for, and manage both current and emerging threats.

Preventive Health

CHF calls on the Federal Government commit to increasing in total expenditure on preventive health as the first step on way to the five per cent target in the National Preventive Health Strategy.

Why this matters

CHF welcomed release of the 10 Year Preventive Health Strategy in late 2021 as it clearly signals that the Government sees promoting well-being as important. The commitment in that Strategy to the long-term goal of five per cent of the total health Budget health budget being directed to preventive health by 2030 was in line with what many advocates, including CHF, had been calling for many years. The establishment of a sustainable prevention fund and independent governance mechanism to support the reaching of that target was also welcome.

There needs to be a substantial and identified set of initiatives that make up the first down payment on reaching 5 per cent.

We think the key area for new activity should focus on measures to start addressing obesity which has long term implications for both individuals whose life expectancy is reduced and for the community with the increasing burden of disease form obesity related conditions.

Australia's overweight and obesity rates for adults in Australia are significantly higher than the average for developed nations, with continuing increases over recent years. Implementing some of the strategies from the National Obesity Strategy would be a good first step.

Private Health Insurance

CHF calls on the Federal Government to send a reference to the Productivity Commission to conduct an inquiry into the benefit of government involvement in the Private Health Insurance sector.

CHF calls on the Federal Government to leave the Private Health Insurance tax rebate at current levels.

Why this matters

Private health insurance (PHI) is important to the Australian health care system: it is intended to assist with the costs of care in the private system, to support choice of private provider and to help take the pressure off public hospitals. However, it is also overly complex, confusing to consumers and costs the federal government more than \$6 billion per year. It affects a considerable proportion of Australians, with 44.7% of the population currently having hospital policies and over half (54.5%) having extras, or general policies.³

Despite the changes implemented so far by this Government and the slowdown in the rate of premium increases have yet to see any real increase in the proportion of the population covered by private health insurance. The government has instigated reviews of some of the current levers being used to encourage uptake. The reviews into Lifetime Health Cover, risk equalisation, the Medicare Levy Surcharge exemption and the tax rebate on premiums have been conducted in a less than transparent manner and the results of the consultations have not been made public. We are proposing an open transparent process where the value propositions of all current and potential measures could be examined and debate. This should lead to decisions that serve the best interests of all consumers, both those with and without private health insurance.

³ Australian Prudential Regulation Authority 2021 *Private Health Insurance Quarterly Statistics, November 2021*