



Consumer Healthcare
Products Australia

2022-23 PRE-BUDGET SUBMISSION

CHP Australia Members

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Executive Summary

Consumer Healthcare Products (CHP) Australia is the leading industry voice representing the manufacturers and distributors of consumer healthcare products, including nonprescription medicines. Additionally, we represent businesses that support the consumer healthcare products industry.

CHP Australia welcomes the opportunity to provide our insights and recommendations for the Government's consideration ahead of the 2022-23 Budget.

Self-care for health is an evidence-based, complementary component of health that can help governments foster a more resilient and self-sufficient health population; capitalise on Australians' capacity to take greater responsibility for their health outcomes; and ensure the sustainability of essential frontline healthcare services.

Empowering individuals to take greater responsibility for their physical and mental health management and outcomes should be a defining characteristic of Australia's health and care systems, services, and supports.

However, as our current healthcare system and culture is not structured to facilitate Australians assuming this responsibility, we believe through prioritising greater self-care policymakers can help all Australians to become an informed advocate for, and active participant in their own health.

Budget Recommendations

1. Embed self-care in national health policy and practice as recommended by the Mitchell Institute's [*Self-care for health: a national policy blueprint*](#)¹.
2. Establish a dedicated long-term preventive health and self-care innovation and development fund, with initial funding of \$10M over five years.
3. Facilitate and fund a common ailment scheme system in community pharmacy, offering potential national healthcare savings of up to \$1.26B per annum².
4. Designate improving medicines literacy a priority area for the National Health Literacy Strategy, and allocate funding for a consumer facing medicines literacy campaign.

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¹ Mitchell Institute for Education and Health Policy "Self-care and health: a national blueprint" -

<https://www.vu.edu.au/sites/default/files/mitchell-institute-self-care-for-health-a-national-policy-blueprint.pdf>

² University of Technology: An Australian Minor Ailment Scheme - <https://www.uts.edu.au/sites/default/files/2019-11/Executive%20Summary%20%28w%29.pdf>

About Consumer Healthcare Products Australia

Consumer Healthcare Products (CHP) Australia is the leading industry voice representing the manufacturers and distributors of consumer healthcare products, including nonprescription medicines. Additionally, we represent businesses that support the consumer healthcare products industry.

9 out of 10 Australians use nonprescription medicines regularly³, including analgesics, hand sanitisers, cold & flu products, nicotine replacement therapies, vitamin and mineral supplements, hay fever and allergy relief, sunscreens and many more.

Available over the counter in pharmacies, supermarkets and convenience stores, nonprescription medicines can assist Australians to maintain productive and healthy lives through:

- providing symptom relief,
- aiding health maintenance,
- supporting the prevention of illness and reducing modifiable risk factors,
- treating common ailments that don't require the care of a doctor.

Annually, our industry generates approximately \$8 billion in domestic sales, \$2 billion in export revenue and employs over 10,000 Australians⁴.

With over 14,000 nonprescription products helping keep Australians productive⁵, every \$1 spent on the most common nonprescription products saves the Australian economy \$4⁶.

We believe Australians' health and healthcare system are best served by robust healthcare policies that deliver evidence-based solutions to raise health literacy, promote self-care and self-medication capabilities, and ensure that, where appropriate, more medicines are made available without a prescription.

As founding member of the Australian Self-Care Alliance, our mission is to advance consumer health through responsible self-care.

³ Consumer Behaviour Factbook (March 2015) Macquarie University

⁴ CHP Australia estimates based on:

- IQVIA & Nielsen Scan Data Sept 2019. Combined Pharmacy & Grocery

- IBIS Pharmaceutical Product Manufacturing in Australia, March 2019. IBIS World Pty Ltd

- IBIS Pharmaceutical Wholesaling in Australia, March 2019. IBIS World Pty Ltd

⁵ TGA Bilateral Meeting Presentation (December 2019)

⁶ The Value of OTC Medicines in Australia (March 2014) Macquarie University – MUCHE Report

Self-care for health - Overview

Investment in person-engaged integrated care models, combined with an increased focus on empowerment, wellness and collaboration, is paramount if the Federal Government is to ensure the long-term sustainability of healthcare funding, and support better health outcomes for all Australians⁷.

According to the Australian Institute of Health and Welfare (AIHW)⁸, in 2017-18 Australia spent \$185.4 billion on health. This equates to more than \$7,485 per person on healthcare each year.

Currently, expenditure on healthcare is projected to continue to rise faster than both the national income and personal incomes. Additionally, ill health and out of pocket medical expenses continue to be leading causes of personal bankruptcies in Australia⁹.

These issues are further compounded by Australia's aging population, and ongoing epidemic of preventable and chronic diseases.

If properly supported, self-care can be a game changer for public health with research showing:

- empowered health consumers, who take greater ownership of their journey, achieve better health outcomes¹⁰
- individuals who lack the skills to undertake self-care effectively incur higher health service costs¹¹.

Self-care, as a health policy and practice tool, is a comprehensive, evidence-based, and complementary component of health that encourages and empowers individuals to take greater personal responsibility for their health and well-being. Self-care provides policymakers with an explicit strategy to:

- foster more independent, empowered, and efficient healthcare consumers,
- support a more health resilient population,
- enhance preventive health engagement and action,
- improve acute and chronic condition management, and
- reduce pressure and spending on essential health services without compromising health outcomes.

Self-care also encompasses the knowledge, skills and activities individuals can utilise every day to enhance their health and wellbeing, support better health decision making, appropriately self-manage illness and disease, and responsibly use medicines and other healthcare resources (*Figure 1*).

⁷ PricewaterhouseCoopers: The future of health in Australia - <https://www.pwc.com.au/health/health-matters/the-future-of-health-in-australia.html>

⁸ Australian Institute of Health and Welfare (2018). Health Expenditure Australia 2016-17, in *Health and welfare expenditure series no. 64. Cat. no. HWE 74*. AIHW: Canberra.

⁹ Australian Financial Security Authority - <https://www.afsa.gov.au/statistics/causes-personal-insolvency>

¹⁰ PricewaterhouseCoopers: The future of health in Australia - <https://www.pwc.com.au/health/health-matters/the-future-of-health-in-australia.html>

¹¹ - Hibbard, J.H., J. Greene, and V. Overton, *Patients with Lower Activation Associated with Higher Costs; Delivery Systems Should Know Their Patients' Scores*. *Health Affairs*, 2013. 32(2): p. 216-222.

- Brady, T.J., L. Murphy, B.J. O'Colmain, D. Beauchesne, B. Daniels, M. Greenberg, M. House, and D. Chervin, *A Meta-Analysis of Health Status, Health Behaviors, and Health Care Utilization Outcomes of the Chronic Disease Self-Management Program*. *Prev Chronic Dis*, 2013. 10: p. 120112



Figure 1 – the seven pillars of self-care

Recent economic modelling¹² reveals that greater self-care has the potential to save Australia’s healthcare system between \$1,300-\$7,515 per hospital patient, per year, and significantly lower hospital readmission rates¹³.

Additionally, it’s estimated¹⁴ that annually in Australia there are between 9.03 million and 27.5 million unnecessary visits to emergency departments and GPs for self-treatable conditions, at a cost of between AUD511 million to AUD1.67 billion a year.

In 2009, the World Health Organisation concluded that self-care should be a fundamental component to achieving both individual and structural health goals¹⁵, contributing to illness prevention and improved health outcomes, better chronic condition management, and fostering a more cost-effective healthcare system.

However, while the term ‘self-care’ implies a focus on the actions of individuals, The Self-Care Matrix (*Figure 2*) illustrates how self-care cannot be reduced to individual responsibility, and is in fact significantly impacted by underlying environmental and external factors that sit beyond the individual¹⁶.

¹² Mitchell Institute for Education and Health Policy “Self-care and health: a national blueprint” - <https://www.vu.edu.au/sites/default/files/mitchell-institute-self-care-for-health-a-national-policy-blueprint.pdf>

¹³ Roughead, L., S. Semple, and E. Rosenfeld, *Literature Review: Medication Safety in Australia*. Sydney: Australian Commission on Safety and Quality in Health Care, 2013.

¹⁴ University of Technology: An Australian Minor Ailment Scheme - <https://www.uts.edu.au/sites/default/files/2019-11/Executive%20Summary%20%28w%29.pdf>

¹⁵ World Health Organisation. Self-care in the context of primary health care - <https://apps.who.int/iris/handle/10665/206352>

¹⁶ Mitchell Institute for Education and Health Policy “The State of Self-Care in Australia” - <https://www.vu.edu.au/sites/default/files/the-state-of-self-care-in-australia.pdf>



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Figure 2 – The Self-Care Matrix

Encouragingly, the National Preventive Health Strategy 2021-2030 firmly recognises the crucial role of self-care in enabling and enhancing preventive health action, incorporating “promoting self-determination and self-care” into the Strategy’s Principles, which we welcome. We also applaud the Federal Government for committing to, and prioritising the development of a National Consumer Engagement Strategy (NCES) and a National Health Literacy Strategy (NHLS)

However, there is still limited attention to self-care across Australian health policy, and healthcare practices and policy discussions often do not acknowledge how people care for themselves. Instead, disproportionate focus and emphasis is placed on the role of the health care system and health care professionals as the ‘providers’ of preventive health actions.

There is evidence that up to 80% of heart disease, stroke and type 2 diabetes, and over a third of cancers, could be prevented through evidence-based self-care – eliminating or reducing exposure to the risk factors of tobacco use, unhealthy diet, physical inactivity and excessive alcohol consumption¹⁷.

Dedicated investment from the Federal Government, along with a systematic approach to build self-care capability and enhance self-care activity in all aspects of health and healthcare, is required if Australia is to capitalise on the health, economic and productivity benefits available through greater self-care.

¹⁷ World Health Organization, Global Action Plan for the Prevention and Control of Noncommunicable Diseases 2013-2020.



Budget Recommendations

Recommendation 1 - Embed self-care in national health policy and practice as recommended by the Mitchell Institute's *Self-care for health: a national policy blueprint*.

Launched by Minister for Health and Aged Care, the Hon Greg Hunt MP, the landmark report by the Mitchell Institute for Education and Health Policy, [Self-care for health: a national policy blueprint¹⁸](#), outlines a national policy approach to building self-care capability and enhancing self-care activity in all aspects of health and health care, and provides a framework for action (Figure 3).

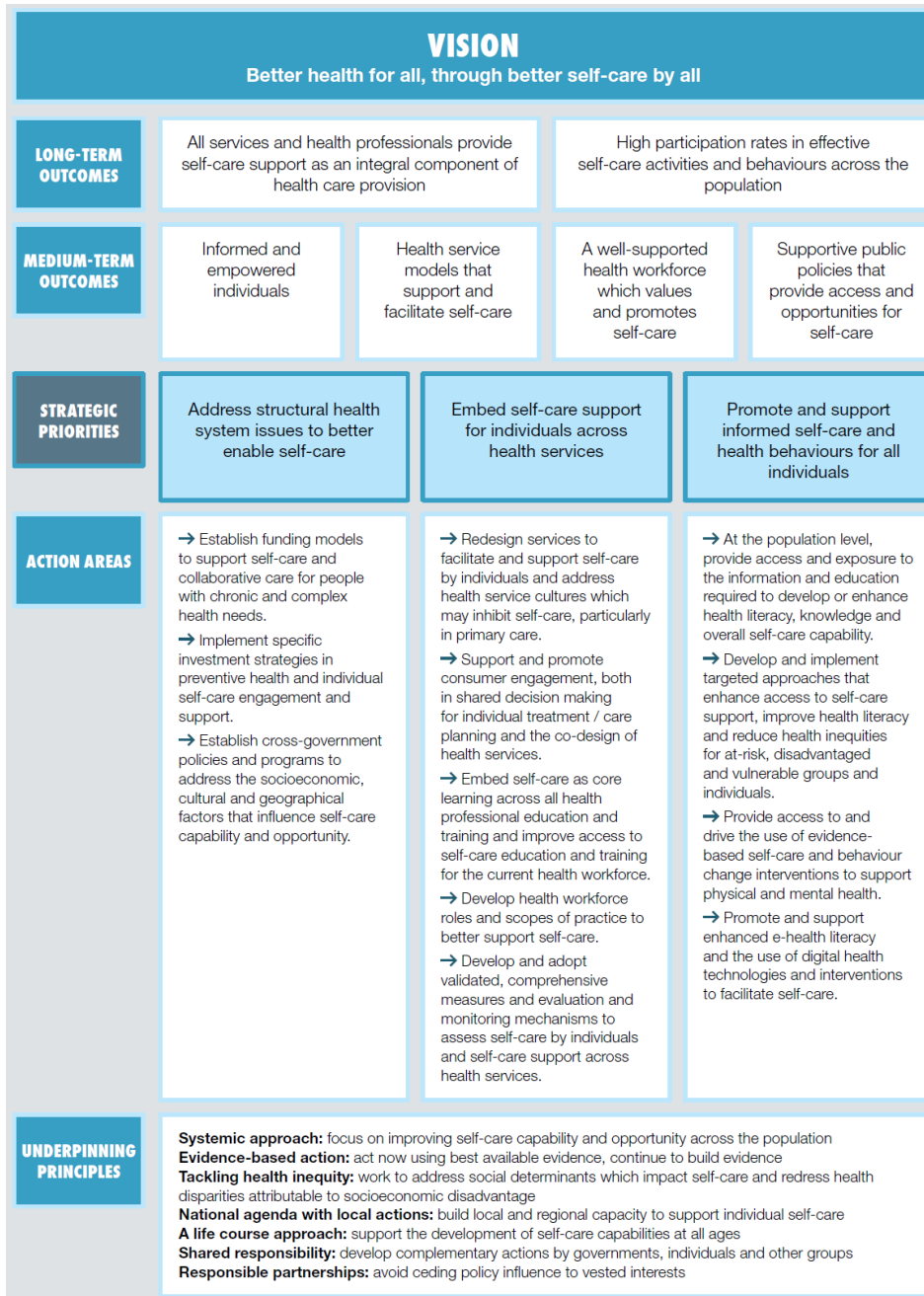


Figure 3: Australian Self-Care Alliance: conceptual framework

¹⁸ Mitchell Institute for Education and Health Policy "Self-care and health: a national blueprint" - <https://www.vu.edu.au/sites/default/files/mitchell-institute-self-care-for-health-a-national-policy-blueprint.pdf>

Led by renowned public health policy expert, Professor Rosemary Calder AM, and endorsed by more than 50 health experts and stakeholders, the Blueprint offers a suite of evidence-based, feasible policy proposals to support self-care through health policy and practice, developed in collaboration with a network of health, self-care and policy experts.

Advocating for a healthcare system re-orientated around helping people to be healthier, rather than primarily engaging them when they are already unwell with preventable conditions, the Blueprint outlines nine priority policy proposals for implementation.

Combined with the structural policy approaches recommended, these proposals will:

- improve health literacy for all
- build self-care into health care practice
- enable consumers to be active partners in health care
- assure the quality and accessibility of digital health information
- develop measures for individual self-care and self-care support by health services.

Recommendation 2 - Establish a dedicated long-term preventive health and self-care innovation and development fund, with initial funding of \$10M over five years

The need for an informed and engaged consumer for effective prevention and health management is pressing and indisputable, and we applaud the Federal Government for committing to, and prioritising the development of a National Consumer Engagement Strategy (NCES) and a National Health Literacy Strategy (NHLS).

When launching the [Self-care for health: a national policy blueprint](#), Minister Hunt remarked that, “self-care is the key to effective prevention”¹⁹.

With evidence that up to 80% of heart disease, stroke and type 2 diabetes, and over a third of cancers could be prevented through evidence-based self-care, it is estimated that by 2025, 29,300 Australian lives could be saved through utilising self-care to enhance preventive action²⁰.

The pandemic has further demonstrated how by empowering individuals with the understanding of how to prevent infection and illness and engaging them as partners in their own health management, health authorities can reduce preventable health problems.

However, despite Australians’ growing capacity and enthusiasm to more actively manage their health, our current primary and secondary care structures and culture do not effectively encourage or support consumer engagement and empowerment in health.

Health and health care should be regarded as co-produced by health professionals with individuals and communities. This absence of the consumer, and lack of attention to how primary and secondary care health services and professionals can better facilitate person-engaged care, runs counter to current ideas of best-practice for effective health management, which advocates for bidirectional, collaborative, and patient engaged care.

¹⁹ Hon Greg Hunt MP launching The Mitchell Institute’s Self-Care Policy Blueprint - https://youtu.be/N_ooof8_lts

²⁰ World Health Organization. *Noncommunicable Diseases (Ncd) Country Profiles 2018: Australia 2018*; Available from: https://www.who.int/nmh/countries/2018/aus_en.pdf?ua=1.

Through the National Preventive Health Strategy, policymakers have taken the first step towards addressing these issues and better facilitating person-engaged care. However, dedicated, ongoing funding for initiatives that enhance consumer and HCPs self-care capabilities is required if Australia is to strengthen its health resilience.

A long-term fund dedicated to self-care innovation and development should be established with a mandate to facilitate and expand self-care engagement. The Fund would:

- invest in and support the self-care expertise of health professionals and health services,
- address health inequity and the underlying barriers limiting individuals' capacity to participate fully in their own health management,
- lift self-care capabilities in individuals and communities, and
- strengthen Australia's health resilience.

The Mitchell Institute has highlighted how similar specialised investment strategies have been effective in addressing specific gaps in the healthcare system and enabling the rollout of innovative programs²¹.

The [Self-care for health: a national policy blueprint](#) also emphasised the need for Australian governments at all levels to adopt 'health in all policies' approach to enabling greater self-care and improving consumers' health competences. This Fund provides the mechanism to facilitate that cross-sector problem-solving, and with scope to invest in initiatives beyond the traditional health silos.

The Australian Self-Care Alliance, of which CHP Australia is a founding member, is a collaboration between healthcare consumers, health promotion charities, policy experts and industry partners that promotes the adoption and implementation of self-care in all aspects of Australia's healthcare policy and practice.

In their 2022-23 Pre-Budget Submission, the Alliance outlines a proposal for the establishment of a dedicated Self-Care for Health Development Fund, with an initial commitment of \$10M over five years for three complementary, grant based initiatives:

1. \$5M to strengthen health literacy in priority populations by implementing place-based and community-led self-care education and engagement approaches
2. \$2.5M to develop and implement a digital health information accreditation scheme and a library of accredited digital health information apps
3. \$2.5M to develop training frameworks and programs that strengthen health professionals' competencies to deliver self-care education and engagement.

²¹ Mitchell Institute for Education and Health Policy "Self-care and health: a national blueprint" - <https://www.vu.edu.au/sites/default/files/mitchell-institute-self-care-for-health-a-national-policy-blueprint.pdf>

Recommendation 3 - Facilitate and fund a common ailment scheme system in community pharmacy, offering potential national healthcare savings of up to \$1.26B per annum

A comprehensive 2019 evaluation²² of a minor ailments scheme (hereinafter referred to as a common ailments scheme) conducted by the University of Technology Sydney estimated that between AUD380 million - AUD1.26 billion could be saved annually if a common ailments scheme in community pharmacy was funded and implemented nationally.

Evaluating an integrated primary care pilot program in the Western Sydney Primary Health Network (WSPHN), researchers estimated that 7-21.2% percent of all GP consultations and 2.9-11.5% percent of all emergency department services in Australia could be safely transferred to a community pharmacy.

Annually in Australia, it is estimated, for self-treatable conditions there are:

- 232,507 - 922,012 unnecessary visits to emergency departments at a cost of up to AUD493.8 million
- 8.8 million - 26.6 million unnecessary GP appointments at a cost of up to AUD1.2 billion.

That is an estimated total burden of between AUD511 million to AUD1.67 billion a year in unnecessary consultations for self-treatable conditions that could be safely self-managed, with sufficient advice and support available from a pharmacist²³.

Researchers determined there was “good evidence that the clinical advice provided by community pharmacists regarding symptoms of minor illness will result in the same health outcomes as if the patient went to see their GP or attended the emergency department”.

Additionally, the Australian Institute of Health and Welfare report, [Use of emergency departments for lower urgency care: 2015-16 to 2017-18](#), found that presentations to hospital emergency departments for lower urgency care may be avoidable through provision of other appropriate health services in the community²⁴.

The UTS evaluation of the pilot program’s economic value concluded that a common ailments scheme is a cost-effective alternative to the traditional primary care model, and estimated the potential clinical and economic impact of national implementation (*Figure 4*).

²² University of Technology: An Australian Minor Ailment Scheme - <https://www.uts.edu.au/sites/default/files/2019-11/Executive%20Summary%20%28w%29.pdf>

²³ University of Technology: An Australian Minor Ailment Scheme - <https://www.uts.edu.au/sites/default/files/2019-11/Executive%20Summary%20%28w%29.pdf>

²⁴ Australian Institute of Health and Welfare: Use of emergency departments for lower urgency care: 2015-16 to 2017-18 - <https://www.aihw.gov.au/reports/primary-health-care/use-of-ed-for-lower-urgency-care-2018-19/contents/about>



| | | Estimated annual community pharmacy manageable services | | | Cost reductions | |
|-----------------|---------|---------------------------------------------------------|-----------------|-----------------------|---------------------------------------------------------------------|------------------------------------------------------|
| | | GP services (n) | ED services (n) | Combined services (n) | Overall cost reduction potential with shift of services to pharmacy | Overall cost reduction potential if AMAS is paid for |
| National | Maximum | 26,586,994 | 922,012 | 27,509,006 | -\$1,665,411,901 | -\$1,266,806,407 |
| | Minimum | 8,778,725 | 232,507 | 9,011,232 | -\$511,373,307 | -\$380,800,559 |
| NSW | Maximum | 8,831,535 | 331,233 | 9,162,768 | -\$572,069,660 | -\$439,301,145 |
| | Minimum | 2,916,073 | 83,528 | 2,999,601 | -\$174,621,799 | -\$131,157,576 |
| WSPHN | Maximum | 1,271,558 | 11,454 | 1,283,012 | -\$62,356,841 | -\$43,765,997 |
| | Minimum | 419,854 | 2,888 | 422,742 | -\$20,096,087 | -\$13,970,549 |

Abbreviations: AMAS: Australian minor ailments scheme; AUD: Australian dollars; ED: emergency department; GP: general practitioner; NSW: New South Wales; WSPHN: Western Sydney primary health network

Figure 4: Projected cost reductions from national implementation of a common ailments scheme

Integration, collaboration, communication and teamwork will be vital to provide effective healthcare in the future. National implementation of a common ailments scheme in community pharmacy as part of a portfolio of services offered in Australia offers a solution for policy decision makers to increase the efficiency of the health system through improved service navigation to guide the patient towards the most appropriate care destination.

Recommendation 4 - Designate improving medicines literacy a priority area for the National Health Literacy Strategy, and allocate funding for a consumer facing medicines literacy campaign.

Medicines are an integral part of healthcare, helping Australians live longer and healthier lives, and better manage acute and chronic conditions. While medicines are safe and effective when used appropriately, further action is required to ensure all Australians have the knowledge and skills to use prescription and nonprescription medicines responsibly.

A 2018 NPS MedicineWise commissioned survey²⁵ into the medicine-taking habits of Australians estimated:

- more than 9 million people take a prescribed medicine every day, with 8 million taking two or more prescribed medicines in a week.
- more than 2 million people take over-the-counter medicine daily, and
- more than 7 million take a complementary medicine daily.

CHP Australia (formerly the Australian Self-Medication Industry) was one of the pioneers of Australia’s Quality Use of Medicines policy, and firmly believes medicines literacy is an integral and indivisible component of medicines safety and health literacy.

Medicines literacy includes lifelong skills applicable to all medicine usage, such as the ability to read medicine labels, to understand dose information, track and manage multiple medicines, to store medicines safely, and to responsibly dispose of expired medicines.

²⁵ NPS MedicineWise - <https://www.nps.org.au/media/with-millions-taking-multiple-medicines-australians-are-reminded-to-be-medicine-wise>

As observed by Consumers Health Forum of Australia's report, [Health Literacy and Quality Use of Medicines in Australia](#)²⁶, population measures of medication literacy and QUM are limited; but if the high level of avoidable hospital admissions for medication-related issues is seen as a partial proxy measure, there is significant room for improvement.

Every year 50,000 Australians are hospitalised with issues relating to medication errors, inappropriate use, misadventure and interactions. A further 400,000 present to emergency departments. These medical interventions cost the health system nearly AUD1.4 billion annually²⁷.

At least half of the cases, which include prescription and nonprescription medicines misuse, are preventable. Improving medicines literacy is essential if we want to reduce the burden of medicines related hospitalisations and support the Quality Use of Medicines.

As such, the forthcoming National Health Literacy Strategy should prioritise developing a strategic, co-ordinated approach to identifying and addressing medicines literacy and QUM needs, particularly with higher-risk and disadvantaged populations. Additionally, funding should be allocated for consumer facing medicines literacy campaigns and initiatives that utilise a consumer-centred approach and consumer co-design in their development and implementation.

²⁶ Health Literacy and Quality Use of Medicines in Australia: A Rapid Review of the Literature - https://www.nps.org.au/assets/Final-Literature-Review-Report_at.pdf

²⁷ Medicines Safety: Take Care Report - <https://www.psa.org.au/wp-content/uploads/2019/01/PSA-Medicine-Safety-Report.pdf>