



Special Commission of Inquiry into Healthcare Funding

Submission Number: 54
Name: Lung Foundation Australia
Date Received: 30/10/2023

30 October 2023

Via email: submissions.hfi@specialcommission.nsw.gov.au

Dear Mr Richard Beasley SC,

NSW Special Commission of Inquiry into Healthcare Spending

Lung Foundation Australia (LFA) are pleased to provide input into the *NSW Special Commission of Inquiry into Healthcare Spending*. We welcome the review of healthcare funding in NSW and commend the goal of delivering higher quality, timelier, and more accessible patient-centred care.

About Lung Foundation

LFA is the only national charity and leading peak-body dedicated to supporting anyone with a lung disease including lung cancer. For over 31 years we have been the trusted national point-of-call for patients, their families, carers, health professionals and the general community on lung health. There are over 30 different types of lung disease currently impacting 1 in 3 Australians. Our mission is to improve lung health and reduce the impact of lung disease for all Australians. We will continue working to ensure lung health is a priority for all, from promoting lung health and early diagnosis, advocating for policy change and research investment, raising awareness about the symptoms and prevalence of lung disease, and championing equitable access to treatment and care. As a patient representative charity, we have partnered with patients, health professionals, researchers, medical organisations, and the Australian community to drive reform in the delivery of health services in Australia to benefit more than 7 million Australians impacted by lung disease and lung cancer.

Feedback on the terms of reference

On behalf of the lung disease and lung cancer community, we have provided our comments on the Commission's work relating specifically to Terms of Reference A, D, and F.

- A. *The funding of health services provided in NSW and how the funding can most effectively support the safe delivery of high quality, timely, equitable and accessible patient-centred care and health services to the people of NSW, now and into the future.*

To reduce the substantial individual and economic burden associated with chronic diseases experienced in NSW we recommend that NSW increase investment in prevention. Lung cancer and lung disease were the 5th and 6th leading cause of death in NSW in 2022¹. Lung disease represents a significant burden to people living in NSW, with 52,377 disability-adjusted life years attributable to lung cancer and 118,035 to respiratory diseases (latest data from 2018)². As well as the substantial cost to individuals' health and wellbeing, lung disease comes at a great financial cost to NSW Government. Chronic obstructive pulmonary disease (COPD) was the main cause of hospital admissions in NSW in 2019-20³ putting enormous pressure on the health system. The total health system costs in NSW associated with lung cancer alone amounted to \$95.6 million in 2015-2016⁴ (latest figures available), with indirect costs, such as time off work, loss of productivity, and loss of life, estimated to be significantly higher.

Furthermore, there are vast inequities in lung disease within NSW with Aboriginal people (compared to non-aboriginal), people living in remote regions (compared to major cities) and the most socioeconomically disadvantaged groups (compared to the least disadvantaged) having disproportionately higher rates of hospitalisations from COPD³ and higher rates of incidence and death from lung cancer⁵.

Investment in preventive health measures improves the health and wellbeing of communities and prevents chronic conditions, and such reductions in disease decreases health expenditure and provides significant cost savings for the government. For example, in 2015/16 the total cost of smoking in Australia was conservatively estimated to be \$137 billion (\$19.2 billion in tangible costs and \$117.7 in intangible costs)⁶. Previous prevention initiatives, such as the Australian National Tobacco Campaign have been shown to be highly cost-effective⁷ and further tobacco control interventions in Australia were estimated to be very cost-effective⁸.

The [National Preventive Health Strategy](#) (NPHS)⁹, endorsed by all States and Territories, was developed using the best evidence from a range of sources. The NPHS set a target of increasing investment in preventive health by reaching 5% of the total health expenditure across Commonwealth, state, and territory governments by 2030.

Specifically, the NPHS recommends:

- Preventive health and health promotion activities in Australia are sustainably funded through an **ongoing, long-term prevention fund**.
- **A health lens is applied to all policy through ongoing, cross-sectoral partnerships**, led by the health sector, at all levels of governments, to address the determinants of health.
- **Increased investment in resilient system infrastructure**, particularly service models, workforce roles and capacities, digital health technologies and funding levers, enables preventive health to be embedded across the health system.

Australia spends the least of its total health expenditure on preventative health compared to most other OECD nations¹⁰. **LFA strongly supports the NPHS 5% funding on prevention and urges the NSW Government to commit to this and rapidly increasing funding to ensure this is reached by 2030.**

D. Strategies available to NSW Health to address escalating costs, limit wastage, minimise overservicing and identify gaps or areas of improvement in financial management and proposed recommendations to enhance accountability and efficiency.

We recommend that the NSW Government adopt a positive tobacco and e-cigarette licensing scheme. Currently, Victoria and NSW are the only Australian jurisdiction without a positive licensing scheme. NSW has a Tobacco Retailer Notification Scheme which requires retailers to notify the Ministry of Health of their intent to sell, with no fees attached. Positive licence schemes have the dual benefit of **reducing the harm from tobacco use and generating a new revenue stream** for governments to invest in public health (such as the costs of administering and enforcing the licensing program and other tobacco policies¹²). Positive licence schemes can ¹¹increase the effectiveness of public health laws discouraging tobacco use¹², reduce the availability of tobacco by reducing the number of retailers selling it¹³, and reduce rates of initiation of both tobacco and e-cigarettes among both youth and young adults¹⁴.

Positive licence schemes also have the potential to reduce tobacco related inequities. Smoking rates are up to seven times higher in Australia's poorest communities compared to Australia's wealthiest areas. Moree, NSW, for example, is among the top five locations with the highest smoking rates in

Australia and is among the most disadvantaged communities in Australia (2017-18 data)¹⁵. Tobacco outlets in NSW have been found to be highly concentrated in areas of greater social disadvantage¹⁶ and retailers in socioeconomically disadvantaged areas are more likely to be unlisted and in breach of in-store tobacco retailing laws¹⁷. Positive licence schemes will give the NSW Government the ability to ensure that retailers in disadvantaged areas comply with laws that aim to reduce smoking uptake and relapse. It also presents the opportunity to cap the number of retailers selling tobacco in certain areas, such as low-income areas and near schools^{18,19}.

We ask the NSW Government to update the Tobacco Retailer Notification Scheme to a positive tobacco licensing scheme.

F. The current capacity and capability of the NSW Health workforce to meet the current needs of patients and staff, and its sustainability to meet future demands and deliver efficient, equitable and effective health services.

Lung Foundation Australia are concerned that the current funding model for healthcare in NSW is not sustainable and is further compounded by an aging population and rise in chronic conditions. We believe increased investment is needed to better resource care in the community to ensure people living with chronic conditions can access tailored information and support to better self-manage their condition. Funding a health workforce that supports people to manage chronic conditions better in the community will reduce the pressure on the NSW Health system and improve patient outcomes. LFA believe non-government organisations (NGOs) are typically well placed to support this complementary model of care, which can be enhanced with **increased funding**. Critical to maximum benefits being achieved is that investment made should consistently consider the evidence-base, cost-effectiveness, and evaluation, of programs and information for the community. Secure, long-term investment in programs like these will result in less pressure on hospital and primary care settings.

Below are two examples of how an NGO such as LFA can complement and reduce pressure on the NSW health system:

1) LFA Specialist Lung Cancer Nurses

Specialist Lung Cancer Nurses provide vital support to NSW residents diagnosed with lung cancer, particularly those in regional, rural, and remote areas. There is currently insufficient support for NSW residents with lung cancer who need assistance in navigating their diagnosis and the health system at large, which is unlike patients with other common cancers. NSW has the worst patient ratio in Australia for Lung Cancer Nurses, with only ten across the state. Of these ten nurses, only four are in regional and rural areas, despite regional and rural areas having disproportionately higher rates of lung cancer.

Lung Cancer Nurses can increase the survival of people with lung cancer and support the improved quality of life of people with lung cancer. Evidence shows that there are **75% fewer avoidable emergency department presentations** when a Lung Cancer Nurse is involved in the care. Furthermore, LFAs Lung Cancer Nurses can operate using telehealth allowing a nurse based in Sydney to provide access to those in regional, rural, and remote areas. This is an example of how evidence-based services can reduce pressure on the NSW Health workforce and improve patient outcomes.

2) LFA Respiratory Care Nurse Program

Respiratory Care Nurses provide a national telephone-based service which supports and guides people living with Chronic Obstructive Pulmonary Disease (COPD) to improve their knowledge, confidence,

and skills of evidence-based self-management practices. Care is delivered according to evidence-based guidelines for COPD management.

COPD is the primary cause of potentially preventable hospital admissions in NSW³. An independent evaluation of the Respiratory Care Nurse program conducted in 2021 showed that it **significantly lowered presentations to emergency departments and increased patient health-related quality of life**²⁰. Overall mean annual cost of COPD related treatments for patients reduced from \$6,977 to \$4,901 after completion of the program. Furthermore, as the service is telephone-based, people from regional, rural, and remote NSW areas can access the service.

Emerging issues need to be considered when allocating funding for a NSW health workforce that meets future demands. Two important emerging issues and opportunities for the NSW health workforce are discussed below:

1) Lung Cancer Screening

By July 2025 [The National Lung Cancer Screening Program](#) will be being implemented across Australia. The program will target high-risk individuals to detect lung cancer in its early stages. The screening will lead to the early detection of lung cancer in Australians and save lives. Evidence indicates the program will be cost-effective (which was considered as part of the recommendation of the program), and importantly, early detection will reduce health system costs while also reducing lung cancer mortality²¹. With the increase in early detection and diagnoses, States and Territories will need to ensure there is sufficient support for those diagnosed with lung cancer. To meet this demand, LFA strongly advocates for NSW to rapidly scale up funding for evidence-based services and supports like Lung Cancer Nurses.

2) COVID

We note the significant strain that the COVID pandemic placed on the workforce and community. Long COVID symptoms can severely impact an individual's life, reducing their ability to work and their quality of life. The ongoing burden caused by COVID highlights the need for tailored, evidence-based information and support to help people manage their recovery and reduce pressure on hospital and primary care settings. [Our recommendations](#) include funding respiratory nurses to support people with ongoing symptoms; investing in support, resources and information for Australians experiencing ongoing COVID symptoms; and, transitioning long COVID clinics into multipurpose respiratory clinics to expand their reach and meet the needs of the broader respiratory disease community.

Summary

We welcome the review of healthcare spending in NSW and the opportunity to provide feedback on the *NSW Special Commission of Inquiry into Healthcare Spending*. LFA commends the goal of delivering higher quality, timelier, and more accessible patient-centred care. We urge the NSW Government to consider **increasing funding on prevention** in line with national recommendations, **invest in care in the community** to better support people with chronic conditions, and add an **annual fee to the Tobacco Retailer Notification Scheme** to recoup money for healthcare funding. We need strong actions to support the health and wellbeing of all NSW residents now and into the future. Investing in preventive health not only reduces the burden of disease but provides significant cost-savings by reducing the need for healthcare. This is an integral opportunity to safeguard the health of NSW residents and create healthier lives by rebalancing healthcare spending to better prevent and support NSW residents. We welcome the opportunity to discuss this submission. To organise a meeting please

contact Paige Preston, General Manager of Policy, Advocacy and Prevention, at



A handwritten signature in black ink, appearing to read 'Mark Brooke', with a stylized flourish extending to the right.

Mark Brooke
CEO
Lung Foundation Australia

References

- ¹ Australian Bureau of Statistics. (2022). *Causes of Death, Australia*. ABS. <https://www.abs.gov.au/statistics/health/causes-death/causes-death-australia/2022>.
- ² Australian Institute of Health and Welfare. (2021). Australian Burden of Disease Study 2018: Interactive data on disease burden. Retrieved from <https://www.aihw.gov.au/reports/burden-of-disease/abds-2018-interactive-data-disease-burden>
- ³ NSW Combined Admitted Patient Epidemiology Data and ABS population estimates (SAPHaRI). Centre for Epidemiology and Evidence, NSW Ministry of Health. Retrieved from <https://www.healthstats.nsw.gov.au/#/topics>
- ⁴ Australian Institute of Health and Welfare. (2021). Health system expenditure on cancer and other neoplasms in Australia, 2015–16. Canberra: AIHW.
- ⁵ Cancer Institute NSW, Cancer statistics NSW 2016-2020. Retrieved from <https://www.cancer.nsw.gov.au/research-and-data/cancer-data-and-statistics/data-available-now/cancer-statistics-nsw>
- ⁶ Whetton, S., Tait, R., Scollo, M., Banks, E., Chapman, J., Dey, T., ... & Allsop, S. (2019). Identifying the social costs of tobacco use to Australia in 2015/16.
- ⁷ Hurley SF, Matthews JP. Cost-effectiveness of the Australian National Tobacco Campaign. *Tob Control*. 2008 Dec;17(6):379-84. doi: 10.1136/tc.2008.025213. Epub 2008 Aug 21. PMID: 18719075.
- ⁸ Vos, T., Carter, R., Barendregt, J., Mihalopoulos, C., Veerman, L., Magnus, A., ... & Wallace, A. (2010). Assessing cost-effectiveness in prevention: ACE-prevention September 2010 final report.
- ⁹ Department of Health. (2021). National Preventive Health Strategy 2021–2030.
- ¹⁰ Public Health Association Australia (2022) The Public Health Crisis Budget, Pre-Budget Submission for the 2022-23 Commonwealth Budget
- ¹¹
- ¹² Greenhalgh, EM, Scollo, MM and Winstanley, MH. Tobacco in Australia: Facts and issues. Melbourne: Cancer Council Victoria; 2023. Available from www.TobaccoInAustralia.org.au
- ¹³ Ziesing, S., Ettridge, K., Dono, J., Luppino, A., & Miller, C. (2023). Is it time to increase the cost of tobacco licences after 10 years of stagnation?. *Australian and New Zealand Journal of Public Health*, 47(5), 100080.
- ¹⁴ Astor, R. L., Urman, R., Barrington-Trimis, J. L., Berhane, K., Steinberg, J., Cousineau, M., ... & McConnell, R. (2019). Tobacco retail licensing and youth product use. *Pediatrics*, 143(2).
- ¹⁵ Fetherston, H., & Calder, R. (2020). Australia's Health Tracker by Area: Smoking Summary Report.
- ¹⁶ Kite, J., Rissel, C., Greenaway, M., & Williams, K. (2014). Tobacco outlet density and social disadvantage in New South Wales, Australia. *Tobacco Control*, 23(2), 181-182.
- ¹⁷ Fry, R., Burton, S., Williams, K., Walsberger, S., Tang, A., Chapman, K., & Egger, S. (2017). Retailer licensing and tobacco display compliance: are some retailers more likely to flout regulations?. *Tobacco Control*, 26(2), 181-187.
- ¹⁸ Kong, A. Y., & Henriksen, L. (2022). Retail endgame strategies: reduce tobacco availability and visibility and promote health equity.
- ¹⁹ Henderson, T., Colen, C. A., & Jones, J. (2015) Tobacco Retail Licensing Policy: A Health Equity Impact Assessment Executive Summary.
- ²⁰ Rana R et al 2022. The impact and effectiveness of a nurse led telehealth education program for Chronic Obstructive Pulmonary Disease patients. Available from: <https://lungfoundation.com.au/wp-content/uploads/2022/11/Evaluation-Report-on-LFA-COPD-Nurse-Education-program-1.pdf>
- ²¹ Cancer Australia, 2023. Exploring the feasibility of a potential Lung Cancer Screening Program – Summary Report, Cancer Australia, Surry Hills, NSW.