Cancer Council Australia

Cancer control priorities for the 2009-10 federal budget

Evidence-based recommendations for reducing the economic and social cost of Australia's largest disease burden

Overview

Cancer has moved from ninth to fifth on the list of most costly diseases to Australia's health system in only four years – including a $393 million increase in annual hospital costs between 2001 and 2005.[1] It is Australia's largest disease burden, and is likely to increase in incidence by around 30% each decade until population ageing peaks in the middle of the century.[2,3]

Yet more than a third of all fatal cancer cases could be prevented by lifestyle changes achievable through public health measures.[2] And many more cases could be treated successfully – and far more cost-effectively – if detected early.

The five core priorities in this budget submission are, according to the evidence and the needs of Cancer Council Australia's national stakeholder base, the best value for taxpayer money for reducing the economic and social costs of cancer in Australia in 2009-10:

1. Improved tobacco control (including an interim increase in tobacco excise that would generate $1.07 billion in additional Commonwealth revenue);

2. Continued capacity building in the National Bowel Cancer Screening Program;

3. Capital grants, and a Commonwealth contribution to travel and accommodation subsidies, for rural/regional cancer patients;

4. Ongoing investment in skin cancer prevention at the national level;

5. Biometric population monitoring, including recurrent continuation of a national nutrition and physical activity survey program.

These measures are proven investments. As well as raising revenue, taxation as a measure for reducing tobacco consumption, supported by social marketing, provides major health system costs savings for government. (The National Tobacco Campaign, on which our social marketing recommendation is based, yielded a 3:1 return on investment within three years.[4])

New research shows a direct return to government of $2.32 for every $1 invested in a national SunSmart campaign.[5]

Bowel cancer screening has been independently evaluated as cost-effective,[6] while investment in infrastructure to assist cancer patients in rural and remote Australia would improve the sustainability of regional Australia.

Cancer Council Australia, the nation's largest non-government cancer control organisation, commends the following recommendations to Treasury. They are consistent with the Rudd Government's health reform agenda (including the National Preventative Health Taskforce's recommendations in relation to tobacco control and biometric monitoring[7]) and would substantially benefit Australia's economy in both the short and long term.

Responsibility for the content of this pre-budget submission is taken by the Chief Executive Officer of Cancer Council Australia, Professor Ian Olver.

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Recommendations

1. Tobacco control: increased excise, abolition of duty-free tobacco sales at Australian airports, investment in social marketing

The most effective measure for driving down smoking rates – increasing tobacco excise to WHO-recommended levels – would raise an additional $1.07 billion in net federal revenue each year. As well as providing enough new funds to fund all of Cancer Council Australia's evidence-based cancer control recommendations for 2009-10 four times over, increasing tobacco excise as set out below would substantially offset the estimated $31.5 billion tobacco use costs Australia each year – which includes $5.7 billion in workplace productivity losses and $318 million in direct health system costs.[8]

The recommendations below are consistent with those of the Rudd Government's Preventative Health Taskforce,[7] as part of a recurrent push to reduce smoking prevalence in Australia by one million smokers, or from 17.4% to 9%, by 2020, while raising substantial new funds for investment in public health.

Recommended commitment:

a) 21% (7.5c per stick) increase in tobacco excise;
b) Abolition of duty-free tobacco sales at Australian airports; and
c) Increased investment in social marketing.

a) Increased tobacco tax

Summary: The World Health Organization[9] and the World Bank[10] recommend that the price of all tobacco products is increased by at least 5% per year in real terms. Increasing excise duty by 7.5 cents per stick (21% price increase) in the 2009-10 budget would restore cigarettes to the price they would have been had this policy been followed from 1999.

Cost: This measure generates substantial direct net revenue, as follows.

Estimated benefits:

- Around $1.03 billion in additional annual revenue;
- 35,500 fewer children taking up smoking;[11]
- Smoking cessation in around 130,000 adults;[11] and
- Offset reduced tobacco excise revenues due to fewer smokers.

Timetable: An increase in cigarette pricing of 21% (7.5c per stick) in the 2009-10 federal budget would be an appropriate bridging step to eventually bring tobacco excise in Australia in line with WHO recommendations and world best practice. (Once effective measures are in place to prevent revenue evasion – and complemented by better services for quitters – excise and customs duty should be increased to ensure that the price of an average packet of 30 cigarettes is no lower than $20.)

Relevance to Rudd Government agenda: In 2007 the Rudd Opposition campaigned on a new approach to healthcare in Australia, with an unprecedented focus on chronic disease prevention. Since gaining office, pivotal to this approach has been the Government's establishment of a Preventative Health Taskforce. A key taskforce recommendations is that the Government increase tobacco excise by 7.5c per stick, as a first step towards raising excise in line with world best practice.[7]

If the Rudd Government's commitment to disease prevention is to reach its potential, it must include an increase in tobacco excise – to both drive down smoking rates and generate revenue to further invest in disease prevention.

Rationale: Increased tobacco excise is one of the most effective ways to drive down smoking rates, while generating substantial revenue for government.[11] A price increase of 21% would cost the average daily smoker around $9 per week. More than 67% of Australians support increased tobacco tax if the revenue contributes to health education or treatment.[12]

The price of cigarettes has not kept pace with the price of many other products and services. If cigarettes in Australia were to cost as much as they do in Ireland (around $20 for a pack of 30), they would still be cheaper than three hours in a city parking station, a quarter of a tank of petrol in a small car, an outing to a movie with a treat from the snack bar or one music CD download.

b) Abolition of duty-free tobacco sales

Summary: Abolition of duty-free tobacco sales at Australian airports would reduce smoking rates, generate additional revenue and ensure Australia meets its international obligations as a ratifying party to the WHO Framework Convention on Tobacco Control.

Cost: No significant budget outlay required.

Estimated benefits: $25 million per annum in new federal revenue (based on 2002-03 estimates[13]).

Timetable: This measure could be introduced on an ongoing basis from 2009-10.

Relevance to Rudd Government agenda: Abolishing duty-free tobacco sales at Australian airports is consistent with the Rudd Government's disease-prevention focus and recommended by the Preventative Health Taskforce.

Rationale: Duty-free sales allow smokers to bulk-purchase a product likely to cause death and disease. Consumption driven by bulk sales imposes an added cost on the health system.

In 2005, Australia showed its commitment to global tobacco control by ratifying the WHO Framework Convention on Tobacco Control, an international treaty to reduce smoking-caused

death and disease worldwide. The FCTC calls on Parties to the Convention to prohibit the sale of duty-free tobacco products.[14] As a regional and international leader in tobacco control, Australia must set an example by banning the sale of duty-free tobacco products.

The Australian Government is well-placed to abolish the incongruous duty-free sale of tobacco products and invest the estimated net $25 million in new annual revenue over the medium term into tobacco control measures shown to deliver major economic and social returns.

c) Increased investment in social marketing

Summary: Research over many years shows that mass media campaigns are highly effective in reducing smoking prevalence. The return on investment is timely and efficient, with a more substantial outlay generating greater economic gains. While the 2008-09 budget included a four-year, $15 million commitment to the National Tobacco Strategy, including social marketing, evidence shows that a greater investment is required to reduce the economic and social cost of smoking in Australia.

Cost: Recommended commitment of $40 million per annum (rising in line with media costs) to sustain the required 700 target audience rating points per month, ensuring the investment generates optimal returns. (NSW is the only state meeting 700 TARPs per month, due to the Cancer Institute NSW investment.)

Estimated benefits: Based on the success of the previous National Tobacco Campaign, which yielded a 3:1 return on investment within three years,[4] a $120 million investment over three years has the potential to accrue returns of more than $300 million.

Timetable: Recurrent commitment to reach 700 target audience rating points per month until the target of 9% smoking prevalence is reached.

Relevance to Rudd Government agenda: Consistent with the other tobacco control measures proposed for the 2009-10 federal budget, this is a recommendation of the Government's Preventative Health Taskforce. It would build upon a 2007 Rudd election commitment to re-invigorate the National Tobacco Strategy.

Rationale: Used in conjunction with measures such as increased pricing and additional support for Quit lines, social marketing is one of the most effective ways to reduce smoking rates.[10] A modest increase in tobacco tax would raise more than enough revenue to fund an effective mass media campaign, assuring the 700 TARPs per month required.

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2. Increased capacity for the National Bowel Cancer Screening Program

Summary: Bowel cancer screening through faecal occult blood testing has been scientifically shown to be highly effective in reducing mortality and morbidity,[15] and it is cost-effective.[6] The sooner the investment is increased, the sooner the economic and social returns can be achieved. The program's implementation is a perfect fit for the Rudd Government's health reform agenda.

Recommended commitment: As a further step towards two-yearly bowel cancer screening for all Australians aged 50 and over, the National Bowel Cancer Screening Program should be expanded to include:

- re-screening for all participants;
- the addition of 60-year-olds to the screening target age; and
- A comprehensive communications strategy to maximise participation.

Cost: To be determined with state and territory governments, according to scientific evidence, quality assurance requirements and evaluation of the current program.[16,17]

Estimated benefits: Rigorous cost-benefit analyses shows substantial economic returns achievable through bowel cancer screening, particularly biennial screening/re-screening.[6] (The program's cost-effectiveness depends on re-screening, as opposed to one-off participation.[6]) Adding 60-year-olds, to bridge the gap between 55 and 65-year-olds, would also substantially increase the economic and social returns from this investment.

Funding breakdown: Overall program administration funded by the Australian Government; public hospital colonoscopy services jointly funded by Australian and state/territory governments through a quality assurance framework built into the 2009 Australian Health Care Agreements. Program capacity increased each year, through the health care agreements, working towards full implementation by 2012 – i.e. screening of all Australians age 50 and over every two years.

Timetable: Incremental targeting of all Australians aged 50 and over, with full implementation by 2012. Biennial screening. Funding for screening of 60-year-olds – and for rescreening of all program participants – in the 2009-10 budget as a step towards full implementation.

Relevance to Rudd Government agenda: Full implementation of the National Bowel Cancer Screening Program is an ideal fit for the Rudd Government's health reform agenda. The Government has made welcome public statements about its commitment to the program, e.g. "Labor will work with state and territory governments to set up a national framework for ongoing implementation of the National Bowel Cancer Screening Program, including a structure for workforce planning, training and support; and ensuring sufficient follow-up services and quality assurance mechanisms are in place".[18] The program's inter-jurisdictional scope is consistent with the principles of the National Health and Hospital Reform Commission's preliminary report, *Beyond the blame game*.[19] The Rudd Government has made a public commitment to fully implementing the program on the basis of biennial screening for all Australians age 50 and over[20] – but without committing to an implementation date. Full implementation by 2012 would put the program into effect 10 years after the first successful pilot programs were conducted.

Rationale: Bowel cancer claims more than 80 Australian lives each week[21] and its impact will increase significantly as our population ages.[3] As well as having the potential to prevent up to 30 Australian deaths per week,[22] bowel cancer screening can significantly reduce hospital expenditure. For example, removing a precancerous polyp detected through screening costs around $1250, while treatment at a public hospital for cancers that develop from polyps can cost more than $23,000 per case.[23]

While colonoscopy capacity will need to increase to accommodate screening, colonoscopy demand could be more effectively managed with a faecal occult blood test program. State

hospital research shows that up to a quarter of colonoscopies currently performed – at a taxpayer cost of $120 million per annum – do not follow evidence-based NHMRC guidelines.

Australia has highly successful population-based cervical and breast cancer screening programs. The Rudd Government has a unique opportunity to add bowel cancer screening to Australia's evidence-based cancer screening repertoire. If the Government is to deliver on the program as it has committed, the 2009-10 budget must allow for expansion: re-screening participants according to standard cancer screening practice and the addition of further age groups, e.g. 60-year-olds to bridge the 10-year gap in the current cohort.

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3. Capital grants, Commonwealth support for rural/regional cancer patients

Summary: These recommendations would provide a synergistic benefit, as there are two inter-related ways to reduce Australia's stark geographical inequity in cancer care outcomes: bring the cancer service closer to the patient; and help to facilitate the patient's travel and accommodation to the service.

A national plan to improve patient travel and accommodation services supported by capital grants in high-need areas to build regional cancer care capacity would significantly reduce inequity and build regional infrastructure in a way that would benefit rural/remote healthcare delivery and community viability more generally.

A roll-out of capital grants in high-need areas (particularly where an investment has already been made in radiotherapy hardware) would substantially reduce the distance people with common tumour types must travel to access multidisciplinary care.

Such capital grants should be complemented by a Commonwealth contribution (and establishment of minimum national standards) towards raising the level of subsidy for remote patient travel and accommodation currently paid by states and territories.

Recommended commitments: Capital grant applications for regional cancer centres (e.g. overnight family rooms for travelling patients at Lismore Base Hospital) to be invited from identified high-need areas, where some level of infrastructure is already in place or in development. A supporting Commonwealth contribution to boosting state/territory-based patient travel and accommodation schemes to be negotiated through COAG.

Funding breakdown: To be negotiated through COAG.

Timetable: Capital grants funded in 2009-10; national contribution to patient travel and accommodation subsidy to be phased in, pending work of national PATS taskforce.

Relevance to Rudd Government agenda: The Government's National Health and Hospitals Reform Commission has identified "rural and remote rates [for each disease indication] relative to the metropolitan rate" as a health system performance benchmark for the national health reform process. Improving access to cancer care for people in rural/regional areas is essential to achieving this objective.

Benefits: Improved access to treatment and care is, according to the evidence and in the view of experienced clinicians and consumers, the only effective way to reduce the significant disparity in cancer care outcomes between metropolitan and rural/remote populations.[24]

Building multidisciplinary cancer care capacity in identified high-need areas, developing residential facilities for travelling patients and their families, and showing national leadership to improve travel subsidy schemes would significantly reduce geographical inequity in cancer care outcomes.

Rationale: Evidence shows the further from a metropolitan centre a cancer patient lives, the more likely they are to die within five years of diagnosis.[25,26,27] For some cancers, remote patients are up to 300% more likely to die within five years of diagnosis.[28] Improved patient travel and accommodation is consistently raised as the most important consumer priority among the Cancer Council's stakeholder base – including people of all demographics.

While the patient travel and accommodation schemes are state-territory programs, the Australian Health Ministers' Advisory Committee is currently exploring options for a coordinated, national response to the 2007 Senate inquiry into the schemes' inadequacy. If the Commonwealth is to show genuine national leadership, there may be an expectation from the jurisdictions that funding is provided as part of such an approach – in the form of both capital grants and a contribution to subsidies that would help to ensure such capital investments are adequately utilised.

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4. Recurrent commitment to a national skin cancer awareness campaign

Summary: Each year skin cancer costs the Australian health system almost $300 million[29] and claims more than 1600 Australian lives.[30] GP consultations to treat non-melanoma skin cancer alone increased by 14% between 1998-2000 and 2005-2007 – from around 836,500 to 950,000 visits each year.[31] Yet evidence shows that government investment in social marketing can substantially reduce the economic and social cost of skin cancer.

Recommended commitment: $33.2 million over four years.

Benefits: A comprehensive cost-benefit analysis conducted in 2008 shows that government investment in skin cancer prevention returns $2.32 for every $1 invested.[5] This analysis draws specifically on an evaluation of the Commonwealth Government's recent skin cancer awareness campaign.[32] Extrapolating the evaluation of the recent campaign, an ongoing commitment would reduce the number of melanoma cases by 20,000 over the next 20 years and the number of non-melanoma skin cancer cases by 49,000 – an enormous cost saving to the health system. The campaign is also estimated to have delivered $90 million in annual productivity gains.[5]

Funding breakdown: $8.3 million per annum over four years.

Timetable: Recurrent commitment, with the awareness campaign to run over successive summers during peak skin cancer risk periods.

Relevance to Rudd Government agenda: The focus of the Rudd Government's health reform agenda is a greater investment in chronic disease prevention. If the Government is to take

greater responsibility for evidence-based public health, investment in skin cancer prevention must be a recurrent commitment.

Rationale: Skin cancer is Australia's most economically expensive cancer, costing the health system almost $300 million per annum to treat.[29] Skin cancer also claims more than 1600 Australian lives each year.[30] Yet skin cancer is one of the easiest cancers to prevent through behavioural change, with almost all cases caused by exposure to UV radiation.

Latest research shows that government investment in skin cancer prevention returns $2.32 for every dollar spent; research on the recent Commonwealth Government National Skin Cancer Awareness Campaign indicates it is effective in influencing behaviour to reduce the economic and social costs of skin cancer.[5,32]

Evidence clearly shows that an ongoing commitment to a national skin cancer awareness campaign would deliver substantial economic and social benefits to Australia[33] and help shake our nation's unwanted mantle as the world's skin cancer capital.

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5. Nutrition and physical activity survey program

Summary: Access Economics estimated the financial cost of obesity in Australia in 2008 as $8.283 billion, including $2 billion in annual health system costs and $3.6 billion in productivity costs.[34] (The total community cost of obesity is estimated at $58.2 billion.) Integral to addressing Australia's obesity crisis is an ongoing nutrition and physical activity program, as part of biometric monitoring and surveillance of Australia's population.

Recommended commitment: $25 million over four years, as part of a long-term, recurrent commitment.

Benefits: This initiative would build the evidence base for a comprehensive approach to addressing Australia's obesity crisis, as part of the proposed COAG Preventative Health Partnerships.

Timetable: Recurrent commitment.

Relevance to Rudd Government agenda: The Rudd Opposition campaigned in 2007 on a re-invigorated approach to disease prevention, with a particular focus on obesity control and a commitment to build on the work of the Australian Better Health Initiative. Timely and accurate behavioural data on obesity risk factors is essential to these commitments. An ongoing survey program is also recommended by the Government's Preventative Health Taskforce.

Rationale: Obesity and overweight are a major cause of two of Australia's most prevalent cancers – colon cancer (11% attributed to obesity/overweight) and breast cancer in post-menopausal women (9%).[35] With obesity in young Australians trebling between 1985 and 1997,[36] we face a future surge in colon and breast cancer incidence and mortality. In addition, rarer cancers such as endometrial cancer (39% attributed to obesity and overweight) and oesophageal cancers (37%) are at risk of becoming common cancers as today's obese young adults, adolescents and children enter middle age.

Research on the behavioural and social determinants of obesity is essential to promoting healthy weight among Australia's population. This initiative would build on the survey program announced by the Government in 2005, which commenced in 2006 with a national nutrition and physical activity survey targeting children. It would provide a much-needed rolling update on Australia's nutrition and physical activity data.

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