

10th September 2025

Productivity Commission
Australian Government

Dear Commissioners,

Re: Submission to the Productivity Inquiry Pillar 4: Delivering quality care more efficiently

About LFA

Lung Foundation Australia is Australia's leading lung health peak body and national charity. Founded in 1990, we have become the trusted point-of-call for the 1 in 3 Australians living with a lung disease. We work to improve lung health and reduce the impact of lung disease and lung cancer. To do this, we deliver information and telehealth support, facilitate access to exercise maintenance and peer support programs, coordinate education for health professionals, provide research grants, and advocate for policy change.

In partnership with consumers, health professionals, researchers, and like-minded organisations, we advocate for:

- reducing risk factors and improving early diagnosis,
- equitable access to best-practice treatment and care,
- strengthened government policy, programs, and strategy, and
- improved research investment and data infrastructure.

Lung Foundation Australia is dedicated to advancing lifelong lung health and the prevention of lung disease for all Australians at all stages of life. Lung health is essential to a healthy and productive Australia. Effective prevention requires reducing exposure to key risk factors and addressing the broader social and environmental determinants that influence lung health throughout life. In 2022-2023, lung conditions collectively cost the Australian healthcare system nearly \$14 billion, more than double the costs of diabetes and chronic kidney disease combined. In many cases lung disease is preventable.

Lung cancer is the leading cause of cancer death in Australia with over 9,000 deaths in 2022 and it has the lowest 5-year survival rate of just 26%.¹ There are many risk factors that can cause lung disease such as environmental and occupational exposures, smoking and vaping, and infections. Many of these are preventable with measures such as refraining from or quitting smoking and vaping, vaccinations, cancer and chronic disease screening, living in an environment with clean fresh air,

and education and awareness campaigns that focus on healthy choices and raise awareness of insidious harmful industry tactics.

Lung disease can be a devastating diagnosis with the ability to breathe declining as the disease progresses, which can lead to deteriorating quality of life. Lung disease negatively impacts productivity with the ability to work, study and engage in society being compromised. LFA's 2025 survey **Life after the COVID-19 Pandemic: Community Insights and Priorities** found that 1 in 2 people infected with COVID-19 since early 2024 reported moderate to severe work impacts.² We want to see prevention measures that will lead to less people being diagnosed with lung disease. We want to see every Australian with healthy lungs throughout their life course.

In LFA's [2025/26 Federal Budget Submission](#), one of the priority recommendations is an increase in investment for preventive health towards 5% of the health budget. **It is estimated that less than 2% of total health expenditure in Australia is spent on public health — that is just \$140 per person.** As a result, Australia ranks among the lowest of all equivalent OECD countries when it comes to funding preventive health.³ In 2018-2019, more than \$2 billion of health system spending on select lung conditions was attributed to potentially avoidable risk factors such as tobacco use, occupational hazards, and air pollution.⁴ Prevention also enhances the economy by increasing productivity, such as through reduced absenteeism and years lost in the workforce.⁵ The case for investing in public health and prevention is clear. As Australia's population ages and the burden of chronic disease rises, it is more important than ever for the Australian Government to increase preventive health funding. Increased investment in prevention will help protect the future health of Australians.

The National Preventive Health Strategy (NPHS) outlines a clear framework for action on prevention in Australia and has been endorsed by the Commonwealth, state, and territory governments. The Productivity Commission has previously estimated that improvements in the health of people in fair or poor health could increase GDP in Australia by \$4 billion per year.⁶ A key target set by the Strategy is for investment in preventive health to have increased to 5% of total health expenditure by 2030. Considering the proportion of healthcare expenditure attributed to potentially avoidable risk factors, governments should be looking to rapidly increase investment in evidence-based, cost-effective preventive health initiatives, such as those recommended in the NPHS. Nongovernment organisations are core partners in prevention and essential to achieving the targets set in the NPHS. Nongovernment organisations, such as Lung Foundation Australia, work closely with a range of stakeholders to identify and act on issues of greatest importance to their community. Such efforts are crucial to achieving the outcomes of the NPHS, and there is still much to be achieved.

We impress that a significant amount of effort and collaboration went into developing the NPHS and the clear and strategic goals and targets (with significant stakeholder consultation, including organisations like Lung Foundation Australia), and therefore if the policy recommendations and investment opportunities outlined in the comprehensive NPHS are realised, we expect significant benefit to the Australian economy at large.

We would also like to take this opportunity to commend the current Health Peak Advisory Body Program which funds strategic policy activities among health peak organisations who have direct accountability to supporting achievement of the NPHS. We urge this vital grant to continue and expand with an appropriate funding duration to enable activities that support the government with preventive health efforts.

There are examples of accepted frameworks internationally that can be drawn upon to support preventive health efforts, including Canada's recently introduced Tobacco Charges Regulation whereby tobacco industry is required to reimburse the Canadian Government's annual costs in tobacco control efforts. In Australia this would translate to funding implementation of National Tobacco Strategy elements such as education campaigns, cessation supports and programs, government overhead costs for relevant policy teams, enforcement, and critical projects to prevent and reduce tobacco use in Aboriginal and Torres Strait Islander communities.⁷

Prevention will see less people living with and dying from lung disease. The impacts of living with a lung disease go beyond the individual. It also impacts their family, carers, workplace and the wider community and economy.

Lung Foundation Australia supports the implementation of a national framework to support government investment in prevention. Any measures introduced to increase prevention are positive steps to increased quality of life for all Australians.

Lung Foundation Australia recommends that to reap the benefits of preventative health programs, the government should consider increasing the length of funding cycles. The template for 4-year funding cycles is a limiting factor for preventative health programs. Funding for prevention should be considered a long-term objective, acknowledging that within prevention programs, outcomes are often invisible but that does not make them less valuable. The value of prevention is not only in saving lives but also improving social determinants of health and overall quality of life. It is essential that prevention efforts prioritise the creation of healthier populations, rather than being driven by the financial interests of governments or agencies.

An independent advisory board is crucial to retain impartiality, with a focus on the evidence and evaluation of programs on their own merit. The advisory board should have extensive experience and come from a broad range of expertise in prevention.

The Board's roles should include the evaluation of prevention programs, recommendations on continued funding for the evaluated programs while further building the evidence base that supports prevention efforts.

Prevention is a key pillar that guides Lung Foundation Australia's work. Measures that increase equitable prevention funding are highly recommended and welcomed. Prevention reduces deaths as well as pressure on the hospital system and economy and increases the quality of life for all Australians including vulnerable and priority populations.

We look forward to continuing to work with the government, NGO's, consumers and the broader Australian public to reduce the incidence of lung disease and continue to support those people living with a lung disease.

To discuss this matter further, please contact Paige Preston, General Manager of Policy, Advocacy and Prevention at paigep@lungfoundation.com.au.

Sincerely,



Mark Brooke

Chief Executive Officer
Lung Foundation Australia

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