

**FEDERAL LABOR LEADER
KEVIN RUDD MP
AND
SHADOW MINISTER FOR HEALTH
NICOLA ROXON MP**

**FRESH IDEAS FOR HEALTH AND THE FUTURE
ECONOMY: RUDD**

Federal Labor leader, Mr Kevin Rudd today delivered his first major speech on the future of Australian health care and its impact on the Australian economy.

This is the second in a series of major speeches where Mr Rudd will be outlining fresh ideas for dealing with future economic challenges.

A Rudd Labor Government will treat preventative health care as a first order economic challenge.

Because failure to do so results in a long-term negative impact in workforce participation, productivity growth and the impact on the overall health budget.

Federal Labor will sharpen Australia's health focus on the prevention of chronic illnesses such as type 2 diabetes, cardiovascular disease and asthma.

Mr Rudd launched Federal Labor's New Directions paper - *Fresh Ideas, Future Economy: Preventative health care for our families and our future economy*.

Mr Rudd said Federal Labor will:

- Develop a *National Preventative Health Strategy* to provide a blueprint for tackling the burden of chronic disease currently caused by obesity, tobacco, and excessive consumption of alcohol. The Strategy will be supported by an expert Taskforce.
- *Shift the focus from so-called "six minute medicine"* in general practice by beginning a reform process to provide incentives for GPs to practice quality preventative health care;
- Broaden the focus of the major health care agreement between the Commonwealth and the States and Territories beyond hospital funding by developing a *National Preventative Health Care Partnership*; and
- In its first term, commission the Treasury to produce a series of *definitive reports on the impact of chronic disease on the Australian economy*, and the economic benefits of a greater focus on prevention in health care.

The cost of providing health care and the cost of rising demand for health care is expected to spiral. Federal Government spending on health care will increase from 3.8 per cent of GDP in 2006-07 to 7.3 per cent in 2046-47.

More than 50 per cent of the Australian population already has a chronic disease or long-term condition of some form. It is estimated that three million people alone will have diabetes by 2030.

Poor health adversely affects work performance and productivity.

The Productivity Commission has estimated that health conditions such as cancer, cardiovascular, mental and nervous, injury and diabetes reduce labour force participation rates by between around 12 and 40 per cent.

Individual chronic conditions now cost individuals and the economy significantly. For example:

- the annual financial cost of cardiovascular disease in Australia is \$14.2 billion, or 1.7 per cent of GDP, including lost productivity costs of \$3.6 billion;
- the estimated cost of diabetes is around \$21 billion including lost productivity health and carer costs, taxation revenue foregone and welfare and other payments; and
- the annual productivity loss from obesity-related illness was \$1.7 billion in 2005.

Federal Labor believes the best way to equip our health system to deal with the challenges of the future is to end the blame game and re-invigorate the role of the primary care system – the front line of the health system which provides health care to local communities.

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