



ASMI

AUSTRALIAN
SELF MEDICATION
INDUSTRY

2019-20 PRE-BUDGET SUBMISSION



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2019-20 Pre-Budget Submission

The Australian Self Medication Industry (ASMI) is the peak body representing the majority of Australia's \$5.4 billion non-prescription medicine industry¹. This includes manufacturers and distributors of over-the-counter (OTC) medicines and complementary medicines. Our industry and members employ over 18,000 Australians, generate approximately \$2.1 billion in local manufacturing revenues, export an estimated \$2 billion each year and provide consumers with choice and access to over 16,000 non-prescription medicines. For every \$1 spent by Australians on the top eight non-prescription product categories, \$4 is saved by the economy².

Our Priorities

ASMI will continue to advocate for the adoption of greater Self Care. We will also continue to support and contribute to the implementation of the recommendations from the Medicines and Medical Devices Regulation Review (MMDR).

We will be supporting initiatives and policy that:

- Improves the health literacy of Australians,
- Increases access to over-the-counter medicines where appropriate,
- Protects the intellectual property (IP) of 'switch' applicants,
- Supports growth in the non-prescription medicines industry through manufacturing and export opportunities, and
- Focuses on preventive health measures.

Recommendations

Self Care

1. Establish a *Self Care Research Fund*.
2. Prioritise early intervention and preventive health funding.

Health Literacy

3. Conduct a survey of adult literacy & life skills in 2020.
 - a. Set key targets for health literacy.
4. Make health literacy a national priority.
 - a. Establish a cross-portfolio taskforce for health literacy.
 - b. Put health literacy on the COAG agenda.
5. Fund *Local Health Literacy Grants* to empower councils, communities and not-for-profits to run local programs designed to improve the health literacy of Australians.

Increasing Access to Medicines

6. Provide appropriate data protection & IP measures for 'switch' applications.

¹ IRI Scan Data Total OTC Market (defined by ASMI) Pharmacy and Grocery Channels combined, 2016 FY.

² The Value of OTC Medicines in Australia, Macquarie University Centre for the Health Economy, March 2014.



Self Care

Self Care is part of our everyday lives and refers to the activities we undertake every single day to enhance health and wellbeing, prevent disease, limit illness, and restore health.

Activities such as washing your hands, exercising, taking pain medication for a headache, reading labels on medicines or taking vitamins if needed all count as Self Care. Not only does Self Care lead to enhanced health and wellbeing for all Australians, it represents a significant cost saving to the Australian health system.

Australians that are empowered to play a central role in their own health and wellbeing practice Self Care with confidence by regularly undertaking or improving upon these seven habits³:

1. Health Literacy (Read, Learn, Ask)
2. Self Awareness of Physical & Mental Conditions
3. Physical Activity
4. Healthy Eating
5. Risk Avoidance
6. Good Hygiene
7. Rational Use of Products & Services

More information can be found on our website: www.asmi.com.au/self-care

The landmark 2018 report *State of Self Care in Australia* by the Australian Health Policy Collaboration⁴ found that while there is general community acceptance that individuals should take a more active role in being responsible for their own health and wellbeing, there is a lack of research, evidence and government co-ordination with respect to the many elements and aspects to support Self Care.

The benefits of greater Self Care are acknowledged internationally however, we need more advocates for Self Care here in Australia and a co-ordinated approach to research development and priorities.

Recommendation 1: Establish a *Self Care Research Fund*

The evidence base for Self Care in Australia needs to grow, independently of industry, which is currently funding the majority of research. Self Care can revolutionise the Australian healthcare system, with long term benefits for both government and consumers.

³ <http://isfglobal.org/practise-self-care/the-seven-pillars-of-self-care/>

⁴ <https://www.vu.edu.au/sites/default/files/the-state-of-self-care-in-australia.pdf>



ASMI recommends that the government establishes a *Self Care Research Fund*, with \$500,000 made available over three years to fund further research into Self Care in an Australian health policy framework. Researchers could apply for this funding to continue to build the health, economic and social case for Self Care. Research projects could focus on specific aspects and how they fit into the broader Self Care context or how to implement holistic trials of patient-centred care within the population.

Recommendation 2: Prioritise early intervention and preventive health funding

An empowered consumer can practice Self Care with confidence when they have the appropriate tools to engage in early intervention and preventive health measures.

The burden on the Australian health system is growing and as such, it is our strong recommendation that greater emphasis needs to be placed on targeted early intervention strategies, as well as greater funding for preventive health measures. Prevention is vitally important, as is the empowerment of everyday Australians to take charge of their own health.

While the benefits of preventive health measures may not be realised until later years, its positive long-term impact on the Budget bottom-line as well as, more importantly, the health and wellbeing of Australians⁵ is why government should prioritise investment in this area.

⁵ Jackson H, Shiell A. (2017) Preventive health: How much does Australia spend and is it enough? Canberra: Foundation for Alcohol Research and Education.



Health Literacy

The last major study into the health literacy of Australians was conducted by the ABS in 2006 as part of the *Adult Literacy and Life Skills Survey*⁶ (ALLS). It revealed that, on average, approximately 40% of Australians had adequate health literacy. This means that 60% of Australians do not have adequate health literacy.

In an age where our access to technology, information and health advice is unprecedented, ASMI believes that this is simply unacceptable.

Greater health literacy leads to greater Self Care⁷, which in turn enhances the health and wellbeing of an individual. Having adequate health literacy means that an individual is able to seek help when they require, identify ailments that they can self-treat, read medicine labels, understand medicine advertisements and more. The intersection with the non-prescription medicines industry is undeniable and informs the way in which industry engages with consumers and is regulated by government.

Recent data from Queensland Health⁸ revealed that 32% of emergency department presentations between 1 January 2018 and 30 June 2018 were for ailments that a visit to the pharmacy or GP could solve; therefore, creating an unnecessary burden on our hospitals and emergency departments. The Productivity Commission also found that nationally, 2.9 million presentations to public hospital emergency departments in 2017-18 were avoidable and were for conditions that could have been managed by a GP⁹, or in our opinion, in some cases, a pharmacist.

This demonstrates that unfortunately there is an element of our community that may not have the skill, ability or means to make appropriate choices and decisions about their health and wellbeing. Central to decision-making when it comes to individual health is health literacy.

Recommendation 3: Conduct a survey of adult literacy & life skills in 2020.

Recommendation 3a: Set key targets for health literacy.

It is ASMI's recommendation that the government conduct another survey of *Adult Literacy and Life Skills* through the ABS in 2020, 14 years after the last one, so that the health literacy levels of Australians can be evaluated and benchmarked.

⁶ <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features20June+2009>

⁷ <http://isfglobal.org/practise-self-care/pillar-1-knowledge-health-literacy/>

⁸ <https://www.health.qld.gov.au/news-alerts/doh-media-releases/releases/emergency-departments-not-for-minor-conditions>

⁹ <https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/health/primary-and-community-health>



There needs to be a ‘health check’ on the health literacy levels of Australians so that we can measure progress and subsequently set key targets for improvement. Bold leadership needs to be taken on this important issue. Better health literacy leads to greater Self Care, enhanced health and wellbeing, and an easing of the burden on our health and hospital systems.

Recommendation 4: Make health literacy a national priority.

Recommendation 4a: Establish a cross-portfolio taskforce for health literacy.

Recommendation 4b: Put health literacy on the COAG agenda.

National leadership on the health literacy levels of Australians is urgently required. The last *Health Literacy National Statement*¹⁰ was published by the Australian Commission on Safety and Quality in Health Care in 2014. More recently, the *Future of Health*¹¹ report by CSIRO was published in 2018. Both identified the low levels of health literacy amongst Australians as a concern.

Solutions need to be identified and a greater emphasis needs to be placed by government on measures to improve health literacy. For that reason, we recommend that health literacy becomes a national priority of the federal government. As part of this, a cross-portfolio taskforce should be established, with the Departments of Health and Education to lead a whole-of-government review of immediate actions the government can take to improve the health literacy of Australians.

Further, there needs to be a co-ordinated approach with States and Territories. Health literacy should be put on the COAG agenda until the key targets set by government are met.

Recommendation 5: Fund *Local Health Literacy Grants* to empower councils, communities and not-for-profits to run local programs designed to improve the health literacy of Australians.

At a local level, councils, communities and not-for-profits should be empowered to run grassroots and highly localised projects to improve the health literacy of Australians. ASMI recommends that *Local Health Literacy Grants* be made available for this purpose, under the supervision of the Departments of Health & Education, in consultation with the relevant State Health Department. Projects should be fully-costed and measurable, with a direct local impact. This provides an avenue to create not just a top-down approach to health literacy and engages the broader Australian population to take control of their own health and access to information.

¹⁰ <https://www.safetyandquality.gov.au/wp-content/uploads/2014/08/Health-Literacy-National-Statement.pdf>

¹¹ <https://www.csiro.au/en/Showcase/futureofhealth>



Increasing Access to Medicines

Increased access to medicines, where appropriate and safe to do so, empowers consumers to make greater choices when it comes to their own Self Care. It enhances health and wellbeing, while also easing the cost burden on consumers and the healthcare system.

'Switch' is the process whereby prescription medicines (Schedule 4) are down-scheduled to over-the-counter medicines (Schedule 3). A successful 'switch' agenda should empower consumers, encourage industry to submit applications and foster innovation in over-the-counter medicines. ASMI has long advocated for a progressive 'switch' agenda and the government's formation of a multi-stakeholder working group within the TGA is a step in the right direction.

Recommendation 6: Provide appropriate data protection & IP measures for 'switch' applications.

Non-prescription medicines do not benefit from the same level of IP protection as prescription medicines. The industry requires appropriate data protection and IP measures to foster innovation and encourage 'switch' applications.

Currently, if a sponsor invests in additional clinical research (which can cost up to \$20 million) as part of their 'switch' application, the research outcomes will be made public and can be used by competitors, which acts as a major disincentive for companies to pursue a 'switch' application.

ASMI recommends government review the United States' experience in this area. The Hatch/Waxman Act establishes a period of five years of data exclusivity for new chemical entities and additional three year periods for new claims on existing products where new clinical data was essential for the approval of the application. This has been a major driver of the prescription to OTC switch process in the United States.

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