

2023-24 Federal Budget Submission

Rising rates of chronic disease, an ageing population, the COVID-19 pandemic, a lack of a preventive health strategy and a national mental health crisis are all contributing factors increasing pressure on our health care system. This is resulting in poorer health outcomes, less GP's bulk billing and long hospital wait times. AUSactive's budget proposal provides ongoing solutions to our health crisis, will improve the physical and mental health of Australians and save the Government money by preventing chronic disease in the first place and mitigating conditions for those who are experiencing health problems.

AUSactive is the national peak health and exercise industry association with the largest register of exercise professionals and facilities across Australia. AUSactive's vision is to **activate every body, every way, every day**, by encouraging all Australians to participate in physical activity and exercise more often. We exist to support our members to improve the health and wellbeing of Australians, we lead advocacy for the preventative health and exercise sector, sponsor research, and set standards that reflect best practice, instil consumer confidence and ensure the wellbeing of Australians.

Australians are struggling with their physical and mental health. While physical activity undoubtedly improves our health and wellbeing, Australians are not moving enough. Physical inactivity is the second leading risk factor contributing to chronic disease in Australia and is placing an unsustainable burden on the wellbeing of Australians, the healthcare system and our economy. **Physical inactivity is ranked by the World Health Organisation as the 4th largest killer globally.**

This burden has been significantly amplified by the COVID-19 pandemic and the numbers don't paint a pretty picture – more than half of Australian adults (55%) are not meeting recommended physical activity guidelines. This is even higher in regional areas where people are at greater risk of poorer physical and mental health. Two thirds (67%) of Australian adults are overweight (12.5 million people) and Australia ranks 6th of all OECD countries for obesity. This is not limited to Australian adults; over two thirds (70%) of Australian children aged 2-17 years also do not meet the physical activity guidelines. Such statistics are a poor indictment and embarrassment for a nation that likes to present itself as "sporting".

Inactivity and productivity loss costs the Australian Healthcare system an estimated \$15.6 billion dollars annually (not taking into account the impact of COVID-19) and this is costing the national healthcare system almost \$3 billion dollars every year. It is also estimated \$9.9 billion is lost in productivity due to physical inactivity.

Skills and Workforce Needs

The exercise and fitness industry plays an integral role in the nation's economy. In 2021 the Australian Health and Fitness Industry had a direct added value of \$1.6 billion. In addition to its direct contribution to GDP, the industry supported an indirect \$2.6 billion in value added in its supply chain.¹ The industry is a notably strong employer relative to its size, directly supporting 31.6 thousand jobs, and indirectly supporting an additional 26.7 thousand jobs through its supply chain.²

¹ Deloitte: "Economic Health & Societal wellbeing: Quantifying the Impact of the Global Health and Fitness Sector- Australia" June 2022, page 25

² Deloitte: "Economic Health & Societal wellbeing: Quantifying the Impact of the Global Health and Fitness Sector- Australia" June 2022, page 3



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However, industry demand and revenue were negatively impacted by the COVID-19 pandemic in 2019-20 and 2020-21. Industry enterprise numbers fell due to the COVID-19 pandemic limiting industry employment. Many gyms and fitness centres were barred from operation at varying intervals over the three years through to 2021-22 and were obligated to suspend their membership fees as a result. With a highly casualised workforce, the COVID-19 induced lockdowns saw a significant proportion of participants leave the industry.

In recent times, greater health consciousness is promoting additional interactions with the industry and the broader exercise and fitness sector years. **As Australians have become more aware of the benefits of exercising, particularly driven by the pandemic**, demand for personal training and fitness services has grown. The rebound in growth in the exercise and fitness industry is placing a strain on available employees to service the level of demand.

AUSactive acknowledge the challenges currently facing the Government, including the soaring cost of living, the sharpest cycle of interest rate rises in Australia's history and increasing/unsustainable expenditure related to Australia's ageing population. However, we wish to emphasise Australia's physical inactivity crisis as a significant major public health issue together with the critical workplace skills and labour shortages in particular for those operating in the exercise and fitness industry.

To put physical activity and skills/labour on the agenda, AUSactive has outlined key recommendations that focus on the overall health and wellbeing of everyone in the community that if enacted will also support the country economically. We are calling for the following recommendations to be implemented:

1. Prevention is better than cure (and significantly cheaper)

To reduce Australia's growing rates of chronic disease, and consequent demands on the health system, the Federal Government must accelerate its current preventative health strategy³ and be more proactive. The Government's promise to create an Australian Centre for Disease Control (ACDC), once established, should have a primary strategic focus on preventing chronic disease. We believe reform is important because historically, **Australian governments spend more time and money addressing health issues after they have become a problem, rather than acting to prevent the problems arising in the first place.**

Improved physical activity funding and initiatives would improve the quality of life of millions of Australians. **Research identifies that every dollar invested in preventative health has an ROI of between 3 and 4 dollars to the taxpayer.**⁴ Investing \$2,000 in successfully transitioning an inactive person to active results in a payback time of less than 12 months and this is ongoing.⁵

³ <https://www.health.gov.au/resources/publications/national-preventive-health-strategy-2021-2030>

⁴ AUSactive; TLF Research Australia and Deakin University: "A More Active Australia for a healthier nation" 2021, pg 48 [a-more-active-australia-full-report.pdf \(ausactive.org.au\)](#)

⁵ Deloitte: "Economic Health & Societal wellbeing: Quantifying the Impact of the Global Health and Fitness Sector- Australia" June 2022, page 3



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2. The Government should create a specific Preventative Health portfolio that connects Health and Sport and Recreation ministries.

The Australian health system spends an estimated \$27 billion per annum treating chronic diseases and mental health,⁶ yet these conditions are somewhat preventable by increasing Australians levels of physical activity. **A Minister having specific responsibility for preventative health** would have the mandate to address chronic illness in the community, particularly where health inequalities exist due to physical inactivity with lower socioeconomic groups and regional and remote communities.

3. Remove Allied Health Barriers

Registered, educated and experienced exercise professionals should be recognised under Medicare to deliver safe, evidence-based exercise programs to prevent chronic disease and rehabilitate people with chronic conditions to improve their health.

Currently only certain allied health professionals such as physiotherapists and exercise physiologists can provide treatment to people under Medicare. Subject to appropriate standards and governance, existing Allied Health barriers that prevent exercise professionals fully utilising their qualifications, skills and experiences, need to be removed and **Medicare funding made available for their services**.

Cross-industry interaction has already allowed relationships to develop between personal trainers and health professionals. There has been a convergence of health measures such as physiotherapy, general medical practice, dietetics, alternative health therapies and personal training, and this is only expected to increase. Personal trainers and the wider physical activity, exercise and fitness sector are therefore projected to further incorporate into general health and wellbeing services.

4. Existing Government health programs such as NDIS and My Aged Care should be widened in scope to include preventative health programs for the relevant clients

Registered, educated and experienced exercise professionals should also be recognised under My Aged Care and under the NDIS to **deliver safe, evidence-based exercise programs**.

As Australia's population continues to age, older age groups are becoming increasingly aware of health issues and endeavouring to exercise more to help extend their life expectancies. Exercise plays an important role for older age groups in maintaining (and sometimes restoring) independence, as well as social support and staying connected.

Older individuals generally require gentle, low impact exercises, that the industry can provide more easily than other fitness services. Personal trainers already assist with rehabilitation exercises in many settings, and many cater towards niche groups, including the elderly and the disabled. This trend is forecast to continue due to Australia's ageing population.

⁶ AUSActive; TLF Research Australia and Deakin University: "A More Active Australia for a healthier nation" 2021, pg 20 [a-more-active-australia-full-report.pdf \(ausactive.org.au\)](https://ausactive.org.au/report.pdf)



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- 5. Activity incentive programs, such as the various state government voucher systems, should be made available to all Australians across a broader range of physical activities to encourage as many Australians to get active**

The evolution of technology has seen Australian's spending an average of 10+ hours per day looking at digital devices. These sorts of long periods of sedentary behaviour increase the risk of cardiovascular disease, type 2 Diabetes, some cancers and obesity, among other conditions.

To encourage behavioural change, research indicates two thirds of Australians would utilise vouchers to get physically active. **The Return on Investment to the Health system is between \$3 and \$4 per person for each \$1 spent.**⁷

- 6. The Government must take seriously its commitment to the World Health Organisation's Global Action Plan on Physical Activity (GAPPA)**

To improve the health and wellbeing of the nation, AUSActive strongly endorses the World Health Organisation's Global Action Plan on Physical Activity (2018-2030). The former Coalition government signed up to the GAPPA target in November 2018 with a commitment to get 15% more inactive Australians more active by 2030; unfortunately, **no real progress has been made to date.**

- 7. Partner and stakeholder legacy support**

As part of Government funding for the upcoming Women's World Cup, Commonwealth Games and Olympics, the relevant organisations and associations responsible for governing and coordinating these global sporting events should be required to implement an ongoing legacy of increased physical activity as a result of the event's exposure and community interest.

- 8. Private Health fund reform**

The Government should reinstate discretion to Private Health Funds so they may allow their clients to access rebates for physical activities such as gym, yoga and Pilates memberships, that prevent chronic disease and improve mental health. Health funds should also have discretion to allow their clients to access rebates for natural therapies.

Private Health funds are fully aware of the health and financial benefits that come from preventative health activities. Accordingly, they should be given full responsibility as to which activities and services they deem will be eligible for member rebates.

⁷ AUSActive; TLF Research Australia and Deakin University: "A More Active Australia for a healthier nation" 2021, pg 48 [a-more-active-australia-full-report.pdf \(ausactive.org.au\)](https://ausactive.org.au/a-more-active-australia-full-report.pdf)



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9. Reallocation of the Health Budget

A portion of existing government funding that is allocated to reactive chronic health disease associations should be put to public tender and used to **fund the proactive development of a preventative health driven national physical activity strategy utilising the experience and networks of community, industry associations and grass roots organisations.** This will require a change in the status quo on policy and thinking, to shift the dial and prioritise prevention.

10. Tax deductions or Fringe Benefit Tax (FBT) exemptions for bona fide physical activities

Just as the government uses the tax system to encourage private health insurance, it should do likewise for encouraging exercise. All exercise and fitness service benefits provided by employers who want to subsidise these services for their employees, regardless of where the service is delivered, should be FBT exempt.

11. Rational consideration of a sugar/fat tax with the proceeds being used to fund a long-term public health campaign

The government should implement a sugar and/or fat tax to tackle obesity, that is a growing health issue in Australia. An aging population, increasingly sedentary lifestyle, and the availability and popularity of junk food have driven obesity rates to historic highs over the past decade. Rising obesity rates have supported demand for exercise and fitness services, particularly because overweight people generally do not exercise regularly and therefore can benefit more from personal training services than standard gym memberships. **Obesity rates in Australia are predicted to increase.**

Proceeds from a sugar tax and/or fat tax could then be used to fund a national public preventative health campaign encouraging physical activity. This will improve awareness of the risks of physical inactivity and the benefits of getting active.

12. Funding for AUSactive's Movement for Movement

AUSactive is well placed to deliver the Movement for Movement Program, a public awareness and activation campaign that is a call to action to get people active through supervised, accessible and tailored group exercise physical activity sessions.

By delivering diverse and culturally sensitive community-based programs, AUSactive and its members will target younger and older people including from low socioeconomic backgrounds, and regional and remote communities. **The program will highlight the importance of physical activity in advancing health outcomes and building social connectivity within communities.**

13. Take action to address the skills shortage in the exercise and physical activity sector

Considering exercise professionals are critical to ensuring people undertake exercise safely and effectively, the current post pandemic skills shortage in the exercise and fitness industry is



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problematic. AUSactive acknowledges and welcomes the delivery of fee-free TAFE places that the Government has enacted, however this needs to be extended to all states and territories.

Funding support should also be extended to all Australian Skills Quality Authority (ASQA) registered vocational education providers, whether TAFE or private RTO, for delivery of the courses under the Fitness Training Package as well as courses in the areas of Pilates, yoga and aqua exercise.

14. Funding for the expansion of the AUSactive Professional Accreditation program for newly qualified exercise professionals who have just entered the industry

AUSactive plays an important role in upskilling the industry. We provide an appropriate pathway to better align our professionals with other health related industries, and ongoing training and professional development supporting preventative health measures. As the only recognised accreditation program in the industry, collective access to the program (within the AUSactive membership base), would create career opportunities for exercise professionals, provide enhanced assurance to businesses around the quality of employees coming into the industry, and provide consumers with a higher level of confidence, so they can be reassured when engaging with Accredited Exercise Professionals.

AUSactive welcomes an ongoing dialogue to offer solutions for health, wellbeing and a physically active Australia.

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The Health & Fitness Industry Association

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