



AUSactive

Pre-Budget Submission 2026

Move to Prevent

Increasing physical
activity to reduce
Australia's Ill
Health Burden



Contact Us:

AUSactive welcomes further discussion about this submission.

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About AUSactive



AUSactive is Australia's peak body for the exercise and active health sector, and our goal is to activate Australians to move more. We do this to improve national preventative health outcomes, and we share this goal with everyone across the sector: with individuals and businesses, and across modalities ranging from gym classes to yoga, Pilates, aqua and functional fitness.

Just like every instructor setting up a program for a new client, at AUSactive we can see our goal clearly. It is to empower the professionals who aim to get more Australians on the move and moving more.

We have long been, and continue to be, the largest membership organisation for exercise and active health professionals and businesses in Australia. This matters because it means we are recognised for our knowledge of the diverse range of skills that make up the sector, and for the delivery of industry services that are proven to create better outcomes for our members and for all Australians.

We recognise our members' daily routine absorbs their full energy. AUSactive helps our members by providing access to the tools and expertise they need to get things done and provide their clients with accredited professional services. From reducing the red tape, to keeping current in their chosen specialties, from legal and HR advice to local, state and national projects driving industry recognition, AUSactive's team is helping our members grow every day.

Leading and supporting this evolving sector is why AUSactive exists, having grown from the state-based groups who recognised that creating a national body would deliver greater strength and benefits to the industry.

We now represent an increasingly varied and skilled workforce. As global understanding of the critical role of preventative health grows, it's why we work harder every day: to deliver more, so our members can too.

Move to Prevent

Increasing physical activity to reduce Australia's ill health burden

The evidence is clear, regular physical activity is one of the most affordable and effective preventive health interventions available. On this basis, AUSactive is seeking to work with the Commonwealth to significantly reduce Australians' risk of chronic disease by increasing physical activity across the nation. Australia's burden of chronic disease is already substantial and growing. Forty-seven per cent of Australians live with one or more chronic health conditions¹, and two-thirds of the population is overweight or obese². Thousands of Australians undergo preventable diabetes-related amputations each year³, and around 4.3 million people experience a mental health condition annually⁴.

This translates into significant and escalating costs for the health system. In 2023–24 alone, there were 788,000 potentially preventable hospitalisations⁵, costing \$7.7 billion⁶, including \$962 million for diabetes⁷, \$861 million for cardiac failure⁸, and \$797 million for chronic obstructive pulmonary disease, much of it obesity-driven^{9 10}.

Physical activity directly addresses these pressures. Regular movement has been shown to reduce the risk and severity of Australia's most costly chronic conditions, including anxiety and depression, by 20–50%¹¹, and to reduce the risk of developing type 2 diabetes by up to 58%¹². Yet despite this strong evidence, 75% of Australians do not meet recommended physical activity levels¹³.

The economic case for action is equally compelling. Every \$1 invested in preventive health delivers an estimated \$7 return¹⁴ through reduced healthcare costs, improved productivity and lower long-term system demand. This matters in a system where the Government already spends \$10.1 billion each year on overweight and obesity¹⁵, \$38 billion on preventable lifestyle-related health conditions¹⁶, and more than \$5 billion on osteoarthritis and falls¹⁷, with falls accounting for 43% of all injury-related deaths nationwide¹⁸.

AUSactive is proposing targeted investment in movement to tackle the issue of chronic disease and long-term demand on the healthcare system through the following strategies:

1

A National Physical Activity Plan \$28.057M over three years

- Inspire Australia to Move through a national public health campaign promoting the 24-Hour Movement Guidelines
- Implement a national Million Moves program to support sustained physical activity

2

Integrating movement into healthcare \$8M over three years

- Embed evidence-based physical activity into prevention and clinical treatment pathways
- Implement GLP-1 safeguards by embedding physical activity as part of wrap-around care to protect muscle and bone health

3

Reducing financial barriers to healthy movement \$600M over one year

- Introduce means-tested physical activity vouchers for families (pilot program)
- Reform the Fringe Benefits Tax (FBT) to remove disincentives for small and medium businesses to support employee physical activity
- Enable exercise professionals, who support Australians to be healthy, to claim genuine, occupation-specific work expenses



Invest \$28.057M over three years in:

1. A National Physical Activity Plan

- Inspire Australians to Move through a national public health campaign based on the 24-Hour Movement Guidelines
- Implement a National Million Moves Program- a scalable annual program to support sustained physical activity participation.

The Problem:

Fragmented physical activity policy is undermining prevention, equity and impact

Australia currently lacks a single, Government-owned National Physical Activity Strategy and Action Plan. This policy gap has real consequences. Seventy-five per cent of Australians do not meet recommended physical activity levels.¹³ Two-thirds of Australians are overweight or obese.² Thousands of Australians undergo preventable diabetes-related amputations each year.³ Around 4.3 million Australians experience a mental health condition annually.⁴

One in three older Australians experiences a fall each year, leading to significant mortality, hospitalisation and loss of independence.¹⁹ Approximately half the population lives with at least one chronic condition, many of which are largely preventable.¹ Physical inactivity is a proven driver of these burdens, and despite overwhelming evidence that increased movement can prevent chronic disease and mental health conditions,²⁰ Australia continues to prioritise lifelong medication over funded, structured lifestyle interventions.

The Solution:

Implement a Government-owned National Physical Activity Strategy to direct investment toward prevention, reduce long-term health system demand and improve productivity

Targeted Government investment would enable the development of Australia's first nationally coordinated strategy.

This would be owned by Government and co-designed with AUSactive and stakeholders, aligned with the National Preventive Health Strategy 2021–2030, the WHO Global Action Plan on Physical Activity, and the Heart Foundation's Blueprint for an Active Australia.²¹

The Strategy would adopt a whole-systems approach, providing national direction across built environments, workplaces, education settings, active transport, community participation, reducing sedentary behaviour, equity of access, priority populations, and national monitoring and evaluation.

International experience demonstrates the effectiveness of this approach. Long-term, coordinated national strategies, such as those implemented in the United Kingdom, have delivered measurable improvements in physical activity levels and health outcomes.²²

A National Public Health Campaign – Inspire Australia to Move

A core pillar of a National Physical Activity Strategy would be a national preventive health campaign that encourages physical activity, increases awareness of the risks of inactivity, and clearly communicates the health benefits of getting active

Building on the proven success of public health campaigns such as Life. Be in it. and Slip. Slop. Slap.,²³ this initiative would promote simple, realistic actions aligned with the 24-Hour Movement Guidelines.²⁴ These Guidelines provide clear, evidence-based advice on how physical activity, sedentary behaviour and sleep work together across a full day to support physical and mental health.²⁴

A National Million Moves Program

The public health campaign would be supported by AUSactive’s practical, community-based Million Moves program, to translate awareness of the benefits of physical activity into sustained behaviour change.

Research consistently shows that people respond best to small, manageable and consistent amounts of movement, particularly when they feel confident, supported and able to succeed.²⁵ This research demonstrates that improving health literacy alone is insufficient; people are far more likely to change behaviour when knowledge is paired with practical, on-the-ground support that helps turn intention into action.²⁶

Developed and piloted by AUSactive and independently evaluated by Murdoch University, Million Moves directly reflects this evidence. The independent evaluation confirmed that Million Moves increased physical activity participation, improved physical and mental wellbeing, strengthened confidence, and reduced barriers to exercise.²⁷

Importantly, participants were able to complete the program consistently, demonstrating that behaviour change is most sustainable when movement is flexible, enjoyable and supported, and that Million Moves is well suited to be scaled nationally.



Invest \$8M over three years in: *Integrating Movement into Healthcare*

- Embed evidence-based physical activity into prevention and clinical treatment pathways
- Embed GLP-1 safeguards by embedding physical activity as part of wrap-around care to protect muscle and bone health

The Problem:

A system built to treat disease, not prevent it

Australia's health system is highly effective at treating disease once it occurs, but it does not adequately fund or embed the proven lifestyle interventions that can prevent disease, slow progression or, in some cases, remove the need for lifelong medication and ongoing clinical care.

Many of Australia's most common and costly conditions, including type 2 diabetes, cardiovascular disease, musculoskeletal conditions, anxiety, depression and age-related functional decline, respond strongly to regular physical activity.¹¹

Yet movement is still too often framed as general "lifestyle advice" rather than recognised and delivered as a core clinical intervention.

While the health workforce understands the value of physical activity, they frequently lack the time, tools and funded referral pathways to support patients beyond prescribing medication. As a result, patients are often managed through repeat consultations and medication, even when structured physical activity could address underlying causes more effectively.

This contributes to rising demand on Medicare, increasing medication dependence, increased health costs for Australians, preventable hospitalisations and growing pressure on an already stretched primary care system.

The Solution:

Embedding physical activity into routine care

AUSactive is seeking to work with Government to co-design and implement a national framework that embeds physical activity into standard chronic disease management. As the national peak body for active health and exercise, AUSactive is well placed to partner with Primary Health Networks, hospitals and health workforces and peak bodies to support this development.

In collaboration with government, clinical and allied health stakeholders, this work would seek to pilot a program that:

- Embeds physical activity as a recognised healthcare intervention rather than discretionary lifestyle advice
- Integrates accredited, evidence-based, group exercise programs into care pathways
- Establishes consistent national referral pathways from primary care into community-based physical activity programs
- Creates a registry of accredited exercise professionals to run these programs
- Integrates this with Primary and Aged Care to develop, equip and engage clinicians with practical tools, guidance and confidence to prescribe and refer patients to evidence-based, accredited programs.

This would be initially funded under a three-year pilot program conducted with multiple Primary Health Networks.

GLP-1 safeguards: Physical activity as part of wrap-around care

As Australia moves toward broader subsidised access to GLP-1 medications for cardiovascular disease and obesity, national leadership is required to ensure these medicines are used safely, effectively and as part of holistic care, rather than as a stand-alone intervention.

While GLP-1 therapies are effective for weight loss, evidence shows that weight loss without structured physical activity introduces new health risks.²⁸ In the absence of exercise, GLP-1-induced weight loss can lead to accelerated loss of lean muscle mass and bone density, increasing the risk of frailty, particularly for older adults and women who are already at greater risk of sarcopenia and osteoporosis.²⁹ A national framework that embeds physical activity as standard care should also recognise structured physical activity as an essential component of GLP-1 prescribing, delivered through a wrap-around, multidisciplinary model of care.

Importantly, GLP-1 medications alone do not establish the behaviours required for long-term weight maintenance. When medication ceases, weight regain is common without established physical activity habits and lifestyle support, increasing the likelihood of repeated medication use and escalating long-term costs to the health system.

National reform should ensure that:

- accredited exercise professionals are formally integrated into GLP-1 care pathways
- physical activity requirements are embedded within prescribing protocols
- structured strength, aerobic and balance programs accompany treatment
- clinicians are supported with clear guidance, training and referral pathways.



This work would form part of the proposed national framework to embed physical activity into standard chronic disease management and would also be initially implemented through a three-year pilot program.

This approach recognises that people using GLP-1 medications often require holistic health care, including movement support, education, confidence-building and behaviour change assistance. It mirrors best practice in other areas of medicine, where treatment is routinely paired with rehabilitation, education and behavioural support.

Invest \$600 million over one year in:

- Reducing Financial Barriers to Healthy Movement
Introduce means-tested physical activity vouchers for families
- Reform the Fringe Benefits Tax (FBT) to support workplace physical activity
- Ensure fair tax treatment for exercise professionals who keep Australians healthy

The Problem:

Financial barriers limit participation in physical activity

Cost remains a significant barrier to physical activity participation for many Australians, as highlighted by Portas Consulting (2024).³⁰ At the same time, existing tax settings unintentionally discourage employers from supporting workplace physical activity and create inequities across businesses, limiting access to proven preventive health supports.

In addition, current ATO guidance would benefit from review and clarification to ensure consistent and equitable treatment of exercise professionals. As a workforce delivering preventive health on the ground, exercise professionals should have clear certainty in claiming legitimate, occupation-specific work expenses. Supporting this workforce is essential to sustaining the services that help keep Australians healthy and out of the health system.

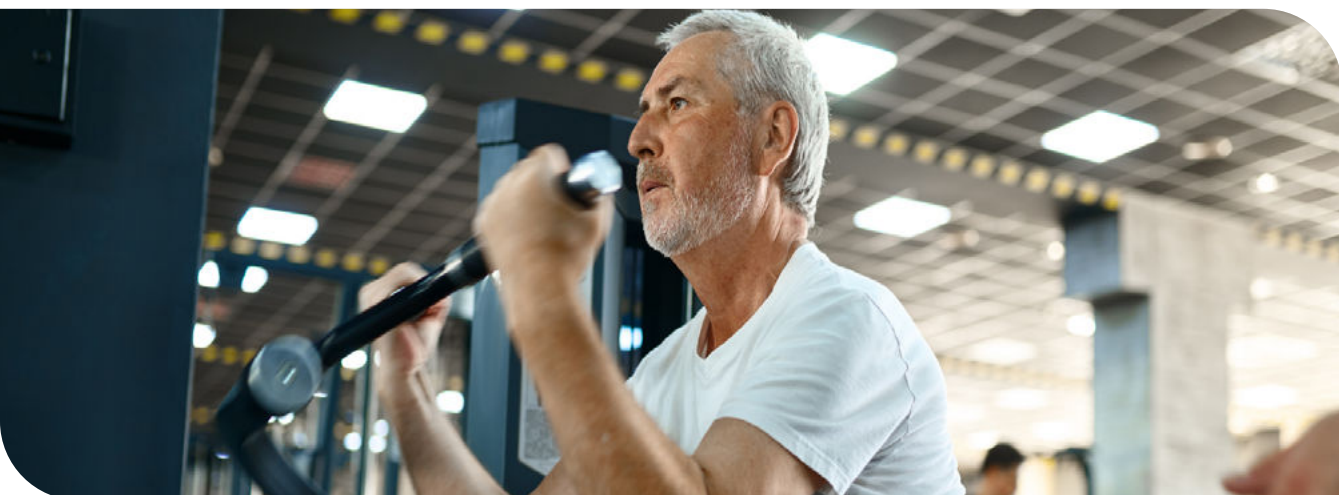
The Solution:

Remove tax and cost barriers to participation

Evidence shows that reducing financial barriers to physical activity delivers significant health and economic returns. Cost remains a decisive barrier for participation. The Portas research indicates that 72% of Australians who do not use health and fitness facilities cite affordability as the primary reason for non-participation, preventing engagement in activities that support long-term health and wellbeing. The Portas research indicates that even a modest 10% reduction in health club membership fees could increase participation from 23% to up to 35%, generating an estimated \$425 million in healthcare savings and \$913 million in productivity gains.³⁰

This level of increased participation could also prevent around 59,000 cases of chronic disease, stimulate \$1.5 billion in additional consumer spending, and support the creation of approximately 31,300 new jobs.³⁰

To unlock these benefits, AUSactive recommends a coordinated package of reforms to remove tax and cost barriers to physical activity participation.





Means-tested physical activity vouchers for exercise and active health facilities

Introducing annual, means-tested physical activity vouchers for families would directly address cost as one of the most significant barriers to participation in regular physical activity. AUSactive proposes vouchers valued at \$500 per family for exercise and active health facilities, targeted to households most likely to face financial constraints.

By reducing upfront costs, vouchers would make structured and community-based physical activity more accessible to families, particularly children and priority populations.³⁰

Importantly, a family-based voucher model supports families to be active together, side by side. Encouraging shared participation strengthens family connection, establishes healthy routines early in life, and reinforces physical activity as a normal, enjoyable part of daily living rather than an individual or discretionary expense. Evidence consistently shows that children are more likely to be active when parents and caregivers are active with them, showing the impact of investment across generations.

By lowering financial barriers and enabling families to move together, this reform should be piloted over a one year period, to reduce health inequities, support lifelong healthy habits, and deliver long-term savings through lower demand on health and social care systems.

Fringe Benefits Tax reform for Workplace Wellbeing

Reforming Fringe Benefits Tax (FBT) to exempt employee gym memberships and physical activity benefits would remove a clear structural barrier to participation in physical activity, particularly for working Australians.

Under current FBT settings, employers are generally required to pay tax on gym memberships provided to employees, as these are classified as “entertainment”. In contrast, large organisations that operate on-site gyms are exempt from FBT for employee use of those facilities. This inconsistency creates an uneven playing field that advantages large employers while discouraging small and medium-sized enterprises (SMEs) from supporting employee physical activity through off-site providers.

Removing FBT from physical activity benefits would unlock strong employer demand. A Deloitte survey found that 91.8% of employers would offer gym memberships and fitness benefits if tax settings allowed it.³¹ At a time of rising cost-of-living pressures, this reform would also help reduce out-of-pocket costs for employees, making regular physical activity more affordable and accessible. Workplaces are a critical, yet underutilised, setting for preventive health.

Recent estimates suggest poor workforce health drives substantial productivity losses: mental health related absenteeism cost employers around \$11.5 billion and presenteeism around \$8.5 billion in 2023–24,³² while untreated psychological health problems are estimated to cost workplaces about \$10.9 billion through workplace absence and reduced performance³³.

While Deloitte estimates the proposed FBT exemption could result in approximately \$144 million in foregone revenue, this is expected to be more than offset by productivity gains and reductions in direct healthcare costs associated with lower physical inactivity, estimated at \$204.8 million.¹⁴

Supporting the workforce that keeps Australians healthy: ATO guidance for exercise professionals

Removing barriers to physical activity requires a strong, sustainable workforce delivering safe, accessible programs in communities across Australia. Exercise professionals play a critical role in keeping Australians healthy and out of the health system by providing preventive care on the ground, supporting people to manage chronic disease, maintain mobility, prevent falls and protect mental wellbeing.

While current ATO guidance appropriately distinguishes between personal and work-related expenses, its application can create uncertainty and limit the ability of exercise professionals to claim legitimate, occupation-specific costs required to perform their roles safely and professionally. This can place unnecessary financial pressure on a workforce that underpins community access to physical activity.

Given the essential preventive health value delivered by exercise professionals, AUSactive recommends that the Government request the ATO review and clarify its guidance to provide consistency, equity and certainty when claiming genuine work-related expenses.

This proposal represents a low-cost administrative reform. It is anticipated the review and clarification of ATO guidance could be delivered within existing resources and is not expected to have a material impact on Commonwealth revenue. It is understood that similar guidance updates are routinely undertaken by the ATO as part of normal regulatory practice.

Increasing physical activity to reduce Australia's ill health burden

AUSactive is seeking \$636.057 million in targeted Government investment to deliver a nationally coordinated approach to increasing physical activity and reducing Australia's growing burden of chronic disease.

Australia has a clear and timely opportunity to change the trajectory of preventable illness. The evidence is clear, regular physical activity can reduce the risk and severity of Australia's most costly chronic conditions by 20–50%¹¹, delivering rapid health benefits at little or no direct cost. Few policy interventions offer this combination of impact, affordability and scalability.

At a time when preventable conditions are driving billions of dollars in health expenditure and close to 800,000 avoidable hospitalisations each year⁵, investing in physical activity is not only good health policy, it is sound economic policy. Every dollar invested in prevention generates strong returns through reduced healthcare costs, improved productivity and lower long-term system demand, while giving Australians, particularly those who struggle to afford medications, a practical way to take control of their own health.

This proposal provides Government with a clear, coordinated pathway to act, a National Physical Activity Plan, the integration of movement into healthcare, and the removal of financial barriers that limit participation. Together, these reforms would shift Australia from a system that predominantly treats disease to one that prevents illness before it occurs, easing pressure on the PBS and health system while improving quality of life and productivity across the population.



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