



Executive Summary

GSK applauds the Productivity Commission for recognising the significant opportunity to boost Australia's productivity by increasing government investment in prevention. As noted in the *Delivering quality care more efficiently: Interim report*, prevention "reduces the risk of future problems or slows their development, improves quality of care, and makes the care sector more efficient overall".

For example, a GSK report published in 2024 showed that each **\$1 invested in adult immunisation would generate more than \$3.50 in benefits¹**. This is achieved by reducing demands on health, government services and carers, boosting workplace productivity and economic participation - while also improving life expectancy and quality of life.

GSK supports "Draft recommendation 3.1: Establish a National Prevention Investment Framework to support investment in prevention, improving outcomes and slowing the escalating growth in government care expenditure", subject to detail. **In the immediate term, we call on the Government to implement recommendations of the completed Health Technology Assessment (HTA) Methods and Policy review, and reform reimbursement systems and processes to recognise the value of vaccines and disease prevention.** This reform could be undertaken while the Prevention Framework Advisory Board is established. **It would provide a testbed, trialling a model and approach in partnership with stakeholders, and pave the way for broader longer-term Government policy reform.**

Immediate reform to the HTA system is practical action the Government can take to increase access to proven clinical prevention interventions that will boost productivity and deliver returns. The HTA Methods and Policy Review (completed in 2024) and the National Immunisation Strategy (released in 2025) provide frameworks for action in consultation with stakeholders including government, industry, economists and the health sector.

As recognised in the Interim report, Australia is underinvesting in and undercapitalising on preventative interventions due to policy frameworks. Current Australian Government policy frameworks do not acknowledge broad sector impacts, are focused on the short-term and include limited evaluations.

This includes the HTA system and methods that are utilised by the Pharmaceutical Benefits Advisory Committee (PBAC) to advise Government on which medicines and vaccines to invest in. Immunisation is one of the most important and cost-effective public health achievements of all time. Yet, there are significant gaps in what vaccines are funded by the Australian Government via the National Immunisation Program (NIP) and what is recommended by the clinical experts, the Australian Technical Advisory Group on Immunisation (ATAGI).

A new approach to investment in prevention is needed. This submission will utilise adult vaccinations to illustrate the opportunity to:

- Deliver significant returns by investing responsibly in immunisation
- Reform current systems and processes that are utilised to establish 'value' or cost-effectiveness

GSK also supports Medicines Australia's submission from a broader industry perspective.

"As the population ages, vaccinations become even more valuable by helping Australians to live well for longer. Preventing disease is integral to Australia's future economic resilience, as a healthy ageing population positively impacts workforce productivity, participation, and economic growth."

~ Saul Eslake, Independent Economist.



Ageing and productivityⁱⁱ

- A 65-year-old Australian male today can expect to live another 20.2 years and a female another 22.8 years
 - Older Australians have seen the largest increase in workforce participation rates over the past 40 years, particularly women in their 50s and early 60s
 - Australians aged 65 years and older currently account for 40% of health spending despite being about 16% of the population
 - Ill health has forced almost 300,000 Australians aged 50-64 to leave the workforce
 - By the end of 2025, early retirements due to ill health will be estimated to cost the economy \$53.4 billion
 - It is estimated that health strategies – including access to medicines and vaccines could enable more Australians to stay in the workforce, resulting in recovery of \$1.9 billion in superannuation and return \$3.9 billion to the economy annually
-

Shingles: Justine's story

[PHOTO REDACTED]

As a former registered nurse, Justine suspected she had shingles when she noticed blistering dots emerging from her hairline. Within 24 hours she had shingles on her face, and later her eye.

Justine could not work for a couple of months due to shingles. When Justine did return to work, she wore sunglasses and a hat to block out overhead lighting. Shingles on Justine's eye made her sensitive to light.

Four years later, Justine continues to struggle with photosensitivity. Justine has regular appointments with her doctor, eye specialists and has had surgery. Justine will need ongoing care for her eyesight.

"I had to take a significant amount of time off work when I was first diagnosed with shingles, as the symptoms I experienced with my eyesight impacted everyday activities like driving. While the economic impact of shingles is ongoing, I feel lucky to be in a position to be able to afford the treatment I need and go to a specialist of my choosing," Justine said.

About shingles^{iii-iv}

- Shingles is triggered by the reactivation of the same virus that causes chickenpox. **Almost all adults 50 years and older** carry the inactive virus that causes shingles
- Without intervention, about 1 in 3 people will develop shingles in their lifetime
- Shingles presents as a painful blistering rash. While most recover fully:
 - Approximately 10% of people aged 50-59 experience ongoing pain that can last for months or years known as postherpetic neuralgia
 - Up to 25% of people experience a shingles rash involving the eyes or nose, which can lead to long-term consequences, including pain, scarring and loss of vision (in rare cases)

Access to shingles vaccination^v

- **The Australian Technical Advisory Group on Immunisation (ATAGI) recommends the shingles vaccine for all Australians 50 years and older**
- **The shingles vaccine is currently funded by the National Immunisation Program (NIP) for:**
 - **All adults 65 years and older**
 - All Aboriginal and Torres Strait Islander adults 50 years and older
 - Certain immunocompromised groups 18 years and older
- *The PBAC is considering GSK's application to bring forward vaccination in all adults forward to the age of 60*



The opportunity: Deliver significant returns by investing responsibly in immunisation

**Cost-benefit analysis of vaccines with 95% take-up across target populations –
\$320 million net annual investment in adult immunisation will deliver a \$1.1 billion return.^{vi}**

This table highlights current gaps in adult vaccination between what is recommended by the ATAGI and what is currently funded by the Australian Government on the NIP for adults aged 50 years and over, and their cost effectiveness. It estimates the investment required and the return on that investment considering short and long-term health benefits as well as societal service and economic impact of the preventable disease. Vaccines recommended by ATAGI and fully funded on the NIP are not included.

Vaccine scenario	ATAGI recommendation ^{vii}	NIP schedule ^{viii}	Net cost to economy*	QALYs gained	QALY value	Return on investment	Cost effective
Shingles: Vaccinate once at age 50	All immunocompetent adults aged 50 years and over.	18 years of age and considered at increased risk of herpes zoster, due to an underlying condition and/or immunomodulatory/immunosuppressive treatments. For Aboriginal and Torres Strait Islander people. 50 years and older administer 2 doses. For people 65 years and older administer 2 doses.	\$64,885,000	3,049	\$152,427,500	2.35	Yes
Influenza: Vaccinate all aged 50–64 annually	Every Australian aged 6 months and older.	For immunocompromised people aged 18 and older with specified medical risk conditions. For Aboriginal and Torres Strait Islander people aged 18 and older. For pregnant people, at any stage of pregnancy. For all people aged 65 and older.	\$137,000,000	6,064	\$303,200,000	2.21	Yes

Delivering quality care more efficiently – Interim Report

GSK Australia



Respiratory syncytial virus (RSV): Vaccinate once at 75 with a proposed 5-yearly booster†	People aged 75 years and over; Aboriginal and Torres Strait Islander people aged 60 to 74 years; people aged 60 to 74 years with medical conditions that increase their risk of severe disease due to RSV. In addition, people aged 60 to 74 years who do not have a risk factor for severe RSV disease can consider a single dose.	-	\$121,695,000	13,741	\$687,040,000	5.65	Yes
Pertussis: Vaccinate at 50 and at 65, and a booster every 10 years thereafter	All adults 50 years and over would receive a dose of diphtheria, tetanus and acellular pertussis (dTpa) if they received their last dose more than ten years ago as would women who are breastfeeding; healthcare workers; early childhood educators and carers; travellers; adult household contacts and carers of infants; and people with a history of pertussis infection.	Single dose recommended each pregnancy, ideally between 20–32 weeks, but may be given up until delivery.	Not currently cost effective at the standard \$50,000 per QALY threshold			-	No
Diphtheria: Vaccinate at 50 and at 65, and a booster every 10 years thereafter	All adults 50 years old and over would receive a booster dose of diphtheria containing vaccine if they received their last dose more than ten years ago and adults aged 65 years and over would receive a booster dose of dTpa (diphtheria tetanus and pertussis) if their last dose was more than 10 years ago.	-	Not currently cost effective at the standard \$50,000 per QALY threshold			-	No

* Net economic cost is the estimated total cost of vaccination (including future boosters) discounted by public economic benefits due to both health system savings (mostly hospital expenditure) as well as increased productivity gains.

† Clinical evidence and guidance related to RSV vaccination are emerging. Guidelines on RSV boosters are yet to be established. This analysis only includes RSV vaccination for older adults.

Results depicted used a 3.5% discount rate reflective of the review of the base discount rate in the Pharmaceutical Benefits Advisory Committee (PBAC) Guidelines recommended in July 2022^x and the Health Technology Assessment Review final report released in September 2024.^x

A QALY or Quality Adjusted Life years is a year of perfect health. In relation to immunisation, a QALY is the year of life gained from having a vaccine. For the purpose of this analysis one QALY equated to \$50,000 – consistent with general economic policy.



Vaccinate sooner to maximise productivity gains

This analysis demonstrates there is value in protecting people from disease in their later working years.

Significant productivity and participation benefits captured result in vaccines remaining cost effective even where a booster dose is required.

The immune system gradually weakens due to age-related decline in immunity^{xi}. To-date, immunisation programs have been focused on vaccinating populations when they are most vulnerable to disease.

For example, vaccinating Australians against shingles at the age of 50 rather than the current NIP eligibility age of 65 would more than double the return on Governments investment. ATAGI recommends the shingles vaccine for all Australians aged 50 years and older^{xii}.



The Opportunity: Reform current systems and processes that are utilised to establish 'value' or cost-effectiveness

As noted in the Interim Report, current policy frameworks do not acknowledge broad sector impacts, are focused on the short-term and include limited evaluations. This includes the methods utilised by the Australian Government to determine value of vaccines and disease prevention.

The HTA Methods and Policy Review recommendations being considered for implementation by Government acknowledges the limitations of the current system. It also provides a way forward. Actions to reform the HTA guidelines to recognise the value vaccines and disease prevention will support:

- Government's ambition to allocate 5 per cent of all healthcare expenditure to prevention^{xiii}
- Reduce demand on government service and boost productivity,

Key is recognising the health outcomes and productivity gains that accrue over a lifetime, including via the adoption of a lower discount rate.

International experience demonstrating the impact of reform

Australia is not alone in its productivity challenges. Across the globe, governments are increasingly recognising the fiscal value and broad societal impacts of vaccines and disease prevention. The UK and Canada are examples of where changes to guidance on determining investments in health are having an impact.

Country	Approach to societal, longer-term costs and benefits	Discount rate ^{xiv}	Prevention as a proportion of total health spending ^{xv}
Australia	Not considered	5%	2%
UK	Base case: Perspective on outcomes - all direct health effects, whether for patients, or when relevant carers.	1.5%	5%
Canada	Base case if carer considered part of the scenario: Target population may include patients and their informal carers (i.e. unpaid carers). Researchers should consider any potential spillover impacts (such as due to changes in the level of care required by patients beyond those individuals for whom the interventions are being targeted).	1.5%	5.7%

How Australia devalues vaccines and disease prevention^{xvi}

The HTA system does not consider longer term and broader societal impacts of being well. Factors considered in the HTA when determining value:

Included	Excluded
✓ Medical expenses e.g. doctor visits, hospital costs and medication ✓ Short-term health benefits ✓ Some long-term benefits*	× Long-term health benefits e.g. deterioration of previous health conditions due to infection, transition to aged care × Productivity gains × Tax revenue × Social welfare impacts, including National Disability Insurance Scheme (NDIS) and disability pensions × Impact on families and carers × Wellbeing

*Long-term benefits may be considered but are disproportionately undervalued due to discounting

The role of discount rates

A discount rate of 5 per cent per annum is applied to future benefits in assessing cost effectiveness.

When considering the future benefits of vaccines, the HTA methods apply discount rates to reflect an assumption that society prefers benefits now over the future.

Vaccines are disadvantaged as their costs are typically upfront, and their benefits are longer term.

Discount rate comparison





Conclusion

GSK commends the Productivity Commission for recognising the potential to improve Australia's productivity through increased government investment in prevention. Prevention, as highlighted in the Interim Report, enhances quality of care, reduces future health risks, and increases efficiency in the care sector.

We support the establishment of a National Prevention Investment Framework (Draft Recommendation 3.1) to promote prevention, improve outcomes, and curb escalating government care costs. However, immediate action is needed to reform the Health Technology Assessment (HTA) system to recognise the value of vaccines and disease prevention.

There has been extensive consultation on these reforms, stakeholders including industry, researchers and patients are ready to support the Australian Government in their implementation.

Vaccines are proven to be effective in preventing disease and cost-effective. Initiating HTA reform to support better access to immunisations - while the Prevention Framework Advisory Board is established - will deliver immediate returns and providing a testbed for broader policy changes.

Boosting access to vaccinations for Australian adults will prevent disease, it will increase productivity and deliver significant economic and health returns.

Contact:

Charlie Harper
Government Affairs and Policy Coordinator
GSK Australia
Level 4, 436 Johnston Street, Abbotsford, Victoria 3067, Australia
E [REDACTED]
M [REDACTED]

-
- ⁱ GSK (2024), 'Prevention: A Productivity Superpower'
- ⁱⁱ GSK (2024), 'Prevention: A Productivity Superpower'
- ⁱⁱⁱ Health Direct. Shingles. Available at: <https://www.healthdirect.gov.au/shingles> [Accessed September 2025].
- ^{iv} CDC. Shingles. Available at: <https://www.cdc.gov/shingles/about/index.html> [Accessed February 2025].
- ^v The Australian Immunisation Handbook. Vaccine preventable diseases. Available at: immunisationhandbook.health.gov.au/contents/vaccine-preventable-diseases. [Accessed September 2025]
- ^{vi} GSK (2024), 'Prevention: A Productivity Superpower'
- ^{vii} The Australian Immunisation Handbook. Vaccine preventable diseases. Available at: immunisationhandbook.health.gov.au/contents/vaccine-preventable-diseases. [Accessed September 2025]
- ^{viii} Australian Government Department of Health and Aged Care. National Immunisation Program Schedule. Available at: www.health.gov.au/topics/immunisation/when-to-get-vaccinated/national-immunisation-program-schedule. [Accessed September 2025]
- ^{ix} Pharmaceutical Benefits Scheme (PBS). Review of the base discount rate in the PBAC Guidelines: July 2022. Available at: www.pbs.gov.au/info/industry/listing/elements/pbac-meetings/psd/2022-07/Review-of-the-base-discount-rate-in-the-PBAC-Guidelines-July-2022. [Accessed September 2025]
- ^x Pharmaceutical Benefits Scheme (PBS). Review of the base discount rate in the PBAC Guidelines: July 2022. Available at: www.pbs.gov.au/info/industry/listing/elements/pbac-meetings/psd/2022-07/Review-of-the-base-discount-rate-in-the-PBAC-Guidelines-July-2022. [Accessed September 2025]
- ^{xi} Weinberg A *et al.* *J Infect Dis.* 2010;201(7):1024-30.
- ^{xii} The Australian Immunisation Handbook. Vaccine preventable diseases. Available at: immunisationhandbook.health.gov.au/contents/vaccine-preventable-diseases. [Accessed September 2025]
- ^{xiii} Australian Government Department of Health and Aged Care. National Preventive Health Strategy 2021-2030. Available at: <https://www.health.gov.au/resources/publications/national-preventive-health-strategy-2021-2030?language=en> [Accessed September 2025]
- ^{xiv} Medicines Australia (2022). Australia's high discount rate is ignoring the health of our future generations.
- ^{xv} OECD (2025). OECD Data Explorer. Available at: <https://www.oecd.org/en/data/datasets/oecd-DE.html> [Accessed September 2025]
- ^{xvi} Pharmaceutical Benefits Scheme (PBS). Submission structure for submissions requiring evaluation. Available at: <https://pbac.pbs.gov.au/section-3a-cost-effectiveness-analysis.html> [Accessed September 2025]
-