



Business News
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General News
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HBF, RAC keen to play advocacy role

■ Mark Pownall

HBF chief Rob Bransby shakes his head in disbelief that people still smoke despite the warnings on cigarette packets these days – it is a good example of how hard it is to make people change their habits.

Effecting community change is a big focus for the health insurer, as the not-for-profit business adopts a broader interpretation of its role.

This strategy requires a financially robust operation, a not-for-profit outlook and a high level of market penetration, which means that community focus is very much representative of the group's users.

Another example of this is RAC, the state's dominant motor vehicle organisation and a major financial services player.

For HBF, advocating change makes sense. It covers nearly one in every three Western Australians and has the majority of people who choose to take up health insurance.

With a market share like that, there is little difference between helping the community and helping your own members, especially when they will be competing with public users for health services.

In Mr Bransby's view, a healthier community is one where health insurance for his members is more affordable.

"What's tomorrow?" the HBF chief asks.

"As an organisation we have all the efficiencies, we are well capitalised, all the ducks are lined up; so how do we take ourselves into the future to make a difference?"

"It comes back to this, to the membership base, the Western Australian community and participation in the health system.

"It is an obligation to get people active; to provide the information for them to live their lives better and to promote wellness."

For instance, HBF has been running free fitness sessions as part of its efforts to promote health in the community. Campaigning to the wider public, Mr Bransby said, was not just possible because of HBF's market dominance but because the organisation was focused on

more than short-term returns.

"There is also the ability to think longer term," said Mr Bransby who joined HBF several years ago from National Australia Bank's healthcare finance business.

"You can build a real horizon focus around how you are driving an organisation and that it is not about being a complacent, lazy mutual ... it is about your strategic thinking and your decision making processes being in the longer term."

"Think what it might look like in 10 years' time and how you can shape it, or reshape what you have.

"So if you have a community of people it makes good sense if you get people fitter and healthier; then, in a health setting, the cost of health should be less."

The problem is evident already through HBF's own members. The bulk of its claims – nearly 80 per cent – are from the chronically ill.

"If we encourage people to live better lives to stop the onset of chronic illness which is incurable ... then in the longer term you won't eradicate it but it can only be better for the general health system as a whole. That should help the ongoing sustainability of the system going forward.

"Chronic illness is happening earlier and earlier – 25 to 30 year olds are getting diabetes because of obesity."

RAC chief executive Terry Agnew also has a big business and huge market penetration, which allows the club to leverage its advocacy efforts.

While somewhat different to HBF in that it started life as an advocacy organisation for motorists and has since grown a related business in insurance and finance, RAC nonetheless has become increasingly vocal about a bigger range of issues.

It recently appointed former Department of Indigenous Affairs director general Pat Walker to head the advocacy division, a clear signal of how serious it is.

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That appointment came after a review identified that RAC wanted to make a difference but was not thinking strategically enough to be effective; despite having a trusted brand and big membership base within easy reach, it didn't have the capability.

Mr Agnew said its messages were focused on road safety, accessibility and environmental goals.

In the first area, he believes that is already paying off, although he admits RAC had been applying the pressure for a long time.

"A major win we had this year is getting the (state) government to commit to having all speed camera money going to road safety," Mr Agnew said.

"We have been at that for 10 years. If you go into that sort of thing for 12 months you won't succeed."

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Mr Agnew also wants RAC to have a seat at the table for planning transport infrastructure.

"Clearly the quality of planning is going to be critical," he said.

"We are trying to get more expertise in those areas.

"Take the waterfront development, for instance, roads are going to be shut off, where is the traffic going to go?"

"It is not just motoring, it is mobility and more and more that will be public transport."

The public transport issue is intriguing. As a motoring organisation, the RAC has become more and more vocal on this subject – without being a car monopolist in any way.

"We are much more interested in that than we would have been five years ago," Mr Agnew said.

"For everyone the cost of motoring will go up.

"There will be instances where it will be more and more costly, so I might drive to the railway station.

"The other aspect is simply the congestion aspect. In most cities it simply hits a wall where the infrastructure can't cope.

"People want to move around, which will

require public transport. Whether it is cost based or congestion based ... more and more people will be turning to public transport.

"We need to be part of influencing that solution."

Mr Agnew agrees that being a big player in the motoring market means the RAC can afford to look at a broader range of transport issues on behalf of its wide membership base.

"We look at things because they are the right things for our members, if it happens the broader community gets a benefit so be it," he said.

"If our membership was a smaller part of the community it would not make sense and we would be looking for niche ways to add value to our membership."

Of course, not all advocacy is so easily put into the altruism basket.

HBF has been lobbying hard in Canberra against the federal government's proposed changes to the health insurance system. That would seem, on the face of it, more out of self-interest than in the interests of the community.

Mr Bransby believes a robust private health insurance system is important to the overall health of the public system; but he is also concerned anything that increases the cost of insurance to healthy people means they will leave the private sector, increasing the burden on those who remain – often because they need to.

"Once numbers start to decline it goes into this massive spiral. It is only the unhealthy who stay in it, so costs go up," Mr Bransby said.

"We are apolitical but the Liberal government, particularly under Howard saw this as the solution to the health needs of Australians going forward."

Mr Bransby said more than 5.5 million Australians with health insurance were in households with income below \$50,000.

"They value health, they are the ones affected," he said.

"Any drop-off in private health cover in areas with marginal regional hospitals will be quite catastrophic.



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All this brings the issue back to the problems HBF management sees in the future, ones that can only cost it and therefore its members.

“We need to start thinking about a behavioural shift from this tsunami of obesity,” Mr Bransby said. “If we could all work for the benefit of the health system we should all be better off in the longer term. That is one of the benefits of being a not for profit, that you can think that way, but it doesn’t mean that you start to think unsustainably or add to the cost of premiums.

“In fact, our purpose is to lead the way in

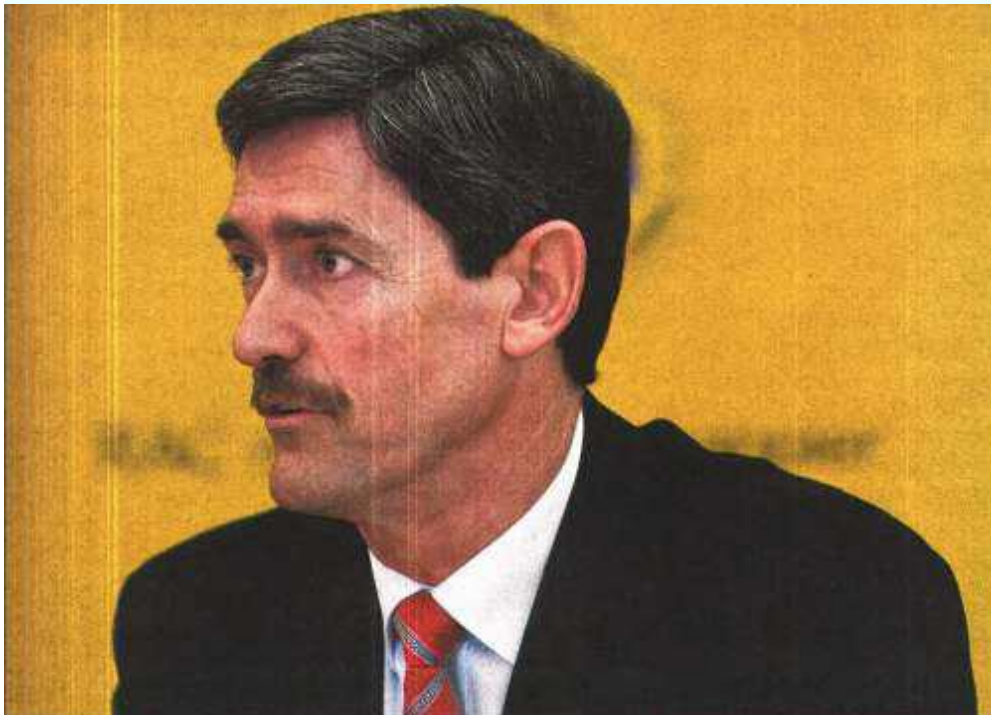
improving the health and wellbeing of everyone in the WA community.

“What does that mean; it’s being an opinion leader, actively promoting physical participation and delivering the benefits thereof.”

Of course, Mr Bransby is under no illusion that such a move will be easy.

“Shifting behaviour is hard,” he said.

“I still can’t believe that people still pick a packet of cigarettes which says ‘if you smoke this it will kill you’, and they still do.”



VOICE: Terry Agnew wants RAC to have a seat at the table for planning transport infrastructure. **Photo:** Grant Currall

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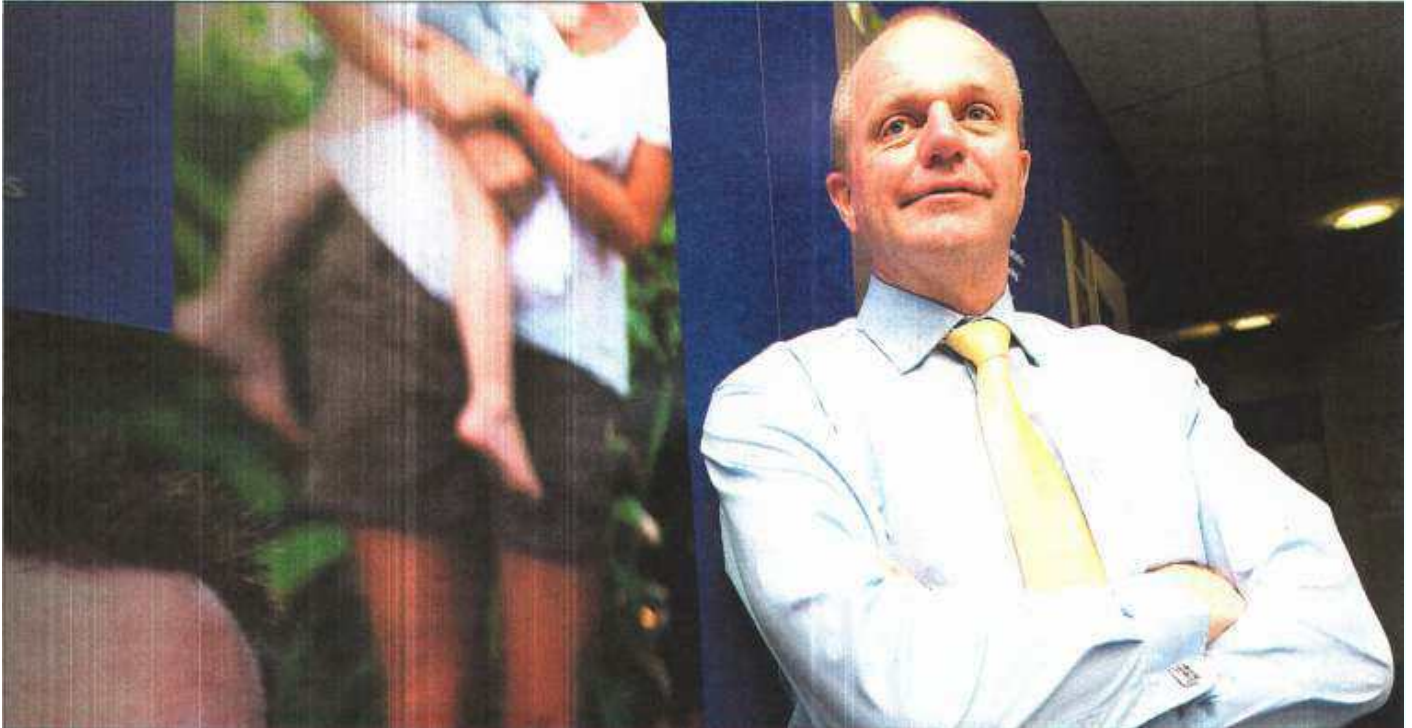
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COST BENEFIT: Rob Bransby says a healthy community is one where insurance for his members is more affordable

Photo: Madoka Ikegami