



Public Health Association
AUSTRALIA

Public health outcomes can wait no longer

**Pre-Budget Submission
for the 2024-25 Budget**

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Contents

Overview	1
The socio-economic case for prevention	2
Commonwealth Budget development mechanisms	3
Election commitments	4
The Australian public health workforce	4
Revenue opportunities	5
Investment priorities	5
Summary of Recommendations	6
Summary of budget impacts	8
Conclusion	9
References	9



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The **Public Health Association of Australia** (PHAA) is recognised as the principal non-government organisation for public health in Australia. It is the pre-eminent voice for the public's health in Australia, working to promote the health and well-being of all Australians.

The PHAA works to ensure that the public's health is improved through sustained and determined efforts of our Board, National Office, State and Territory Branches, Special Interest Groups and members.

We believe that health is a human right, a vital resource for everyday life, and a key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people's health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

Our mission as the leading national organisation for public health representation, policy and advocacy, is to promote better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health. Members of the Association are committed to better health outcomes based on these principles.

Our vision is for a healthy population, a healthy nation and a healthy world, with all people living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health and wellbeing for all.

The reduction of social and health inequities should be an over-arching goal of national policy, and should be recognised as a key measure of our progress as a society. Public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

Overview

In this submission we highlight key priorities for the Commonwealth Budget:

- To apply across all government decisions the principle that good public health policy is good economic policy, especially in regard to policies which prevent diseases and other threats to health.
- To deliver on key government election commitments, including:
 - the creation of the Australian Centre for Disease Control (ACDC)
 - implementation of the National Preventive Health Strategy 2021-30 (NPHS).

The general failure in recent years of the Commonwealth as well as state and territory governments to take up preventive health investment options (and revenue options) continues to disappoint us. It is economic, social, and fiscal folly to allow the prevalence in the community of chronic and non-communicable disease, with all the associated direct and indirect economic costs, to continue at present and forecast rates, when an estimated one-third of it can be prevented.

The unfolding creation of the ACDC has given many in the public health field hope that there will be integrated national management of communicable disease issues together with work on the prevention of chronic and non-communicable disease (NCD) conditions in our population. Regrettably, we are increasingly concerned that the ACDC is being only half-implemented, with the NCD mission so far failing to be delivered as promised in the Government's election commitment.

However, we wish to recognise and warmly welcome the measures adopted by the Government in the past year in regard to Australia's greatest cause of preventable disease and death, tobacco, together with the associated measures to address the epidemic of e-cigarettes.

Further, we have been encouraged by the directions advanced by Treasurer Jim Chalmers in regard to how the Government will make budgetary decisions into the future. We urge the Government to deliver on the commitment to frame Commonwealth Budget planning around the idea of 'wellbeing', and make financial policy choices that help create a 'wellbeing economy'. We also urge that a formal internal mechanism for selecting best-value preventive health initiatives be adopted by the Department of Health and Aged Care and the financial agencies, to assist in all future budget proposal consideration.

This Budget Submission document presents our key arguments, which cover a variety of issues, in a readable length for decision-makers. In order to reduce the length of our annual submissions, we have this year adopted the practice of making reference in this document to associated papers giving more detail on relevant topics. These papers are available online at the links included below. This practice will allow us to make use of the more detailed material over timeframes of longer than 12 months, as well as make necessary updates from time to time in response events, new government decisions, and new evidence.

PHAA continues to be an active supporter of efforts by all governments to adopt good policies to promote the health of all Australians. We will continue to engage closely with the Commonwealth Department of Health and Age Care, and all relevant agencies, in a constructive manner. If we can further assist the Treasury in any way, please do not hesitate to contact us.

The socio-economic case for prevention

There is a very strong economic case for prevention in health. There is ample evidence that preventing and reducing the burden of diseases has a much higher economic value than failing to do so and instead incurring long-term economic and budgetary costs in treatment care. The vitality of the Australian economy is powerfully driven by the extent to which we sustain our society in robust population health. Disease burdens also tend to cause and/or reinforce significant social inequalities.

When Governments decide on economic and investment policies – including health policies – they set a national strategic direction. Still emerging from the COVID years, Australia’s strategic position – and its resulting budgetary position – remain at a tipping point. The economic and wider social impacts of the pandemic have been dramatic, as have the fiscal impacts on government budgets across the nation. To build back healthier, government strategy should recognise that the way in which we manage population health is a major driver of our economic wellbeing.

Population health in all its manifestations – but primarily in respect of the major determinants of chronic disease and their impacts on economic productivity – should therefore be a major strategic theme in all forthcoming Budgets. From a longer-term perspective, the Treasury’s *Intergenerational Report* projections, updated in 2021 to take account of pandemic factors, foresees that:

“the Australian economy is projected to grow at a slower pace over the next 40 years than it has over the past 40 years ... Slower population growth is the main reason for the expected slowdown” (p.viii).

However:

“Health and aged care are projected to be the fastest growing areas of spending over the next 40 years. Growth in these areas reflects pressures from the ageing of the population as well as non-demographic factors such as technology, changing consumer preferences and rising incomes” (p.89).¹

It is clearly in the economic interests of Australia to improve the health of our population – a goal that has been conservatively estimated by the Productivity Commission to increase GDP by \$4 billion per year.²

More information on our positions on socio-economic policy is set out in our online paper [Budget Priorities for Public Health 2024-25: The socio-economic significance of population health](#).

We also draw your attention to the vital significance of environmental policy choices to social and economic outcomes. The 2015 Paris Agreement seeks to limit global warming to well below 2°C, and ideally to 1.5°C (IPCC, 2021). The importance of this target has become more prominent in the lives of Australians. From the world’s largest, most catastrophic epidemic thunderstorm asthma event in 2016, to the 2019-2020 bushfires, and 2022 and 2024 floods, to living through the hottest years in historical record since the signing of the Paris Agreement, the human, economic, environmental and health costs are mounting. The need for action can no longer be ignored.^{3, 4}

PHAA welcomes Australia’s first *National Health and Climate Strategy*, launched by the Government in December 2023.⁵ The Strategy is a strong start, but it must be followed by a comprehensive implementation plan, adequate funding allocation and a robust National Climate Risk Assessment and National Adaptation Plan, incorporating the principle of health in all policies.

Australia has not been doing enough to mitigate climate change, nor adapt to the threats already being felt by many communities around the country. We are running out of time to turn the tide.

More information is set out in our online paper [Budget Priorities for Public Health 2024-25: Climate and Health](#).

Commonwealth Budget development mechanisms

The philosophical directions advanced by Treasurer Jim Chalmers in regard to how the Government will make budgetary decisions into the future are very welcome.

Regarding the Treasurer's keynote 'wellbeing approach', the Government has options ranging from basic to better to best. A very basic version of such an approach would be to simply package and present budget decisions under headings which have some relation to wellbeing improvement. A better version would be to set serious strategic goals, with measurable indicators and targets, regarding wellbeing for all Australians.

However, the best use of this modern wellbeing thinking is to appreciate that wellbeing is the fundamental goal of the economy itself, and the end point of all the levers that governments pull to influence the vitality of the economy. A wellbeing economy *"reorients and reorganises traditional economic and business practices to support a prosperous economy [and] to account for things that really matter: our physical and mental health, the resilience of our environment, the cohesiveness of our communities, and how fairly economic wealth is distributed in our society."*⁶

This higher vision of wellbeing economics is what the Albanese Government should aim for. The Government should signal with great clarity that the 'wellbeing' approach is not mere packaging exercise, but is emerging into a robust framing mechanism for determining government priorities. PHAA will vigorously support the Government in such a direction.

However, a key and ever-present obstruction facing governments is the timing issue that long-term budget and economic impacts occurring in the future seem to be less of concern than expenditure sought in the immediate Budget years.

We therefore urge the Government to rise above that hurdle, move away from an approach based on short-term expenditure constraint, and adopt a longer-term return-on-investment approach to budget choices in the preventive health field.

To this end, we propose adoption of an investment prioritisation mechanism similar to the advisory panel models that support the Medical Benefits Schedule and the Pharmaceutical Benefits Scheme, which are pillars of the Australian health system. We propose a similar process be adopted to advise government on preventive health priorities. We urge the Government to establish a formal internal mechanism for selecting best-value preventive health initiatives for sponsorship by the Department of Health and Aged Care and the financial agencies in future budget processes.

An additional mechanism to advance this policy direction is to use a 'future fund' approach. A 'Preventive Health Future Fund' would store and release funding for preventive health programs, campaigns, early detection, and other practical investments. Such a fund would resemble the system by which funding for health and medical research is already provided for by the Government through the Medical Research Future Fund (MRFF). A fund model could work to support the goal of 5% of national health spending being directed to prevention.

Adopting new approaches to financial planning that value investment in health and the reduction of disease burdens would help to make the case for early preventive investment to the Australian people.

More information is set out in our online paper [Budget Priorities for Public Health 2024-25: Commonwealth Budget framing to pursue public health strategies.](#)

Election commitments

In regard to election commitments, we note in particular the key 2022 federal election commitment to the establishment of an Australian Centre for Disease Control:

“An Albanese Labor Government would support the implementation of the National Preventative Health Strategy.” – Labor campaign statement, April 2022.

“The CDC will:

- *Ensure ongoing pandemic preparedness;*
- *Lead the federal response to future infectious disease outbreaks; and*
- *Work to prevent non-communicable (chronic) as well as communicable (infectious) diseases.”*
– ALP Policy Platform 2021

More information on progress with the ACDC is set out in our online paper [Budget Priorities for Public Health 2024-25: The Government’s commitment to create an Australian Centre for Disease Control.](#)

Regarding the National Preventive Health Strategy, the failure in recent years of the Commonwealth as well as state and territory governments to take up preventive health investment options (and revenue options) continues to disappoint us. The delivery of a 10-year (2021-30) investment strategy cannot seriously be left to start in years 4 or later of the Strategy’s decade. Serious investment in programs to address chronic disease drivers should be launched as soon as possible if the Government is to meet its commitment.

We propose to the Government examples of affordable, effective programs to start delivering the NPHS. More information is set out in our online papers [Budget Priorities for Public Health 2024-25: Implementing existing national strategy for preventive health investment](#) and [Budget Priorities for Public Health 2024-25: Commonwealth Budget investment proposals.](#)

The Australian public health workforce

Australia’s existing public health workforce is highly educated, committed and effective in the tasks it is set. Current established training pathways include undergraduate and postgraduate degrees in public health, health promotion, environmental health, as well as epidemiology and biostatistics qualifications.

Furthermore, the Australasian Faculty of Public Health Medicine provides accredited training for public health physicians. There are also state-based training programs, such as the well-established NSW Public Health Officer Training Program (PHOTP), that provide multidisciplinary workplace-based training.

However, for many years our workforce has simply been insufficient in size to address all the population health challenges facing the nation. The COVID-19 pandemic exposed this situation, not only in terms of communicable disease response capability, but in the inevitable diversion of public health-trained officials away from other population health concerns. It is strategically urgent that Australia take a coordinated approach to addressing this capacity gap.

Driven by the pandemic, during 2022 the World Health Organization (WHO) launched a roadmap for strengthening the public health and emergency workforce, designed to guide a “coherent approach to the development and management of this critically needed category of workers” across all nations. The Government has recognised these goals, but has yet to implement them.

More information is set out in our online paper [Budget Priorities for Public Health 2024-25: Development of the Australian public health workforce.](#)

Revenue opportunities

Public health policy goals do not present the Government only with calls for additional government expenditure. In fact there are substantial public health outcomes to be achieved through revenue policies. This has been the case for many decades, where levies on tobacco, alcohol and other products have been used to drive vital public health outcomes.

PHAA has previously set out proposals which – while having disease reduction goals as their primary purpose – have been costed to have the potential to raise around \$4 billion per annum for the Commonwealth. A specific opportunity exists in the form of the introduction of a sugar sweetened beverage health levy. This has been introduced successfully by 54 countries around the world and is an obvious revenue opportunity for Australia that will generate a health benefit by disincentivising consumption of a product with no nutritional value which only contributes to overweight, obesity and oral health problems.⁷

These measures would have a further beneficial impact on Commonwealth finances into the long term, to the extent that they would drive down prevalence of major chronic and non-communicable diseases, and thereby drive down public expenditure across all governments on treatment costs in the health system.

More information on the revenue proposals we make is set out in our online paper [Budget Priorities for Public Health 2024-25: Commonwealth Budget revenue opportunities](#).

Investment priorities

The National Preventive Health Strategy recognises the need for program expenditure across a range of categories. The NPHS is supposed to be supported by a detailed implementation plan of measures, but such a plan has yet to be published.

Since the NPHS was released in late 2021, PHAA has been proposing a number of immediate program investments covering tobacco, obesity, alcohol, and oral health goals. More information on our priority proposals is set out in our online paper [Budget Priorities for Public Health 2024-25: Commonwealth Budget investment proposals](#). The costed scale of our expenditure proposals amounts to around \$0.5 billion per annum – around one-tenth of the revenue raised by the proposals mentioned just above.

We recognise and warmly welcome the Government's initiatives in tobacco control released in late 2023, including new legislated policy initiatives in tobacco control as well as for the control of the e-cigarette epidemic. We recognise that budget expenditure has been provided to deliver these reforms. We also acknowledge that funding for existing programs The Quit Centre and the Tackling Indigenous Smoking Program was extended during the past year. There remains a substantial need to invest in programs and campaigns targeted at tobacco users to keep prevalence rates trending downward to meet national targets.

Outside of tobacco policy initiatives, commitment to other public health preventive investments has been virtually silent. This inaction is apparent in state and territory governments, not only in the Australian Government. This represents a failure to deliver on the national NPHS policy commitments. More importantly, it is a financially counter-productive approach to managing the long-term government budgetary impacts of the rate of prevalence of high-cost diseases in Australia.

Summary of Recommendations

General economic and social policy

1. Government economic policies should be based on a fundamental premise that a healthy population is essential for a healthy and vital economy and for the ongoing management of all preventable diseases, injuries and other impacts on health.
2. Government economic policies should recognise the need to reduce inequality and inequity, taking into account the social, cultural, environmental and commercial determinants of health.
3. In line with the Treasurer's commitment to a 'wellbeing' Budget focus and budget-development practices, the Government should select new Budget initiatives in terms of their capacity to achieve key indicators of community wellbeing.
4. As part of future budget development, relevant agencies should develop an evidence-based mechanism for selecting preventive health investment priorities, and a pipeline mechanism by which proven effective strategies are resourced.
5. As part of future budget development, the Government should establish a 'Preventive Health Future Fund'.

Government election commitments

6. The Budget should fund the establishment of an Australia Centre for Disease Control with a resource commitment of at least \$300 million per annum from the first full financial year, 2024-25, incorporating capacity to target chronic and non-communicable disease prevention in Australia.
7. The Budget should fund and implement the 2021-30 National Preventive Health Strategy, including by leading all governments towards achieving a minimum of 5% of Commonwealth, state and territory health expenditure being directed to preventive health investments by 2030.

Social equity

8. The Budget should promote social and health equity by strengthening Australia's social security system, through increasing income support payment levels, improving access for people requiring support, and removing unproductive compliance policies.
9. Australia is a low-taxed country overall, and that being so, cuts in personal taxation rates should not be preferred over the need to adequately fund social services across the Budget, including preventive health investments. However if personal taxation cuts are adopted, they should be framed to promote social and health equity.
10. The Budget should invest through the Aboriginal Community-Controlled Health Organisations (ACCHO), towards better Aboriginal and Torres Strait Islander health, and towards achieving the agreed Closing the Gap targets. Government should pursue the wider goal of adequately addressing ongoing systemic disadvantage through investment in appropriate housing, education and employment programs.

Climate and health policy

11. The Budget should make major investments to decarbonise the Australian economy, through emissions reduction strategies, including a transition to reduced fossil fuel use across transport, industry and energy sectors, with a particular focus on ending fossil fuel subsidies and tax breaks, and by growing the renewable energy sector.
12. Specifically, the Government should adequately fund its own *National Health and Climate Strategy*, released in late 2023.

Development of the Australian public health workforce

13. The Budget should urgently address the need for an expanded public health workforce for Australia, taking into account education, training, permanent resourcing and retention issues, by:
 - a. establishing a national Public Health Officer Training program
 - b. implementing the WHO Taskforce roadmap for strengthening the Australian public health and emergency workforce.

Revenue and investment measures

14. The Budget should adopt revenue policies relating to alcohol, tobacco, and sugar-sweetened beverages, achieving public health goals while simultaneously generating revenue to offset resourcing for other public health investments.
15. The Budget should adopt specific investments in a range of measures to address key preventable chronic diseases, as outlined in the National Preventive Health Strategy.

Summary of budget impacts

As set out in our online papers [Budget Priorities for Public Health 2024-25: Commonwealth Budget revenue opportunities](#) and [Budget Priorities for Public Health 2024-25: Commonwealth Budget investment proposals](#), PHAA proposes revenue measures with an estimated positive net fiscal impact over 4 years of \$16.1 billion in additional revenue, offset by investment measures requiring \$1.8 billion in new expenditure. Together, our proposals have an estimated net positive impact of \$14.3 billion to the Budget.

Summary of revenue measures

Revenue (\$m)	Year 1	Year 2	Year 3	Year 4	total
Equalisation of excise and customs duties on 'roll your own' tobacco products	178.0	270.0	361.0	361.0	1,171.0
Volumetric equalisation of alcohol excises	2,900.0	2,987.0	3,076.0	3,168.0	12,133.0
Sugar-sweetened beverages excise	738.0	723.0	696.0	677.0	2,835.0
TOTAL	3,816.0	3,980.0	4,133.0	4,206.0	16,139.0

Summary of investment measures

Expense (\$m)	Year 1	Year 2	Year 3	Year 4	total
Establish a National Centre for Disease Control and Prevention	150.0	300.0	310.0	320.0	1,080.0
Public Health Officer Training program for Australia	50.0	52.0	54.0	57.0	213.0
National Tobacco Campaign	46.0	46.0	46.0	46.0	184.0
National Smoking Cessation Strategy	10.0	10.0	10.0	10.0	40.0
Targeted smoking reduction programs for groups experiencing the highest levels of disadvantage	25.0	15.0	15.0	15.0	60.0
Live Lighter national campaign	20.0	40.0	40.0	40.0	140.0
Reducing Alcohol Related Harm Program	15.0	30.0	30.0	30.0	105.0
TOTAL	316.0	493.0	505.0	518.0	1,822.0

Improved bottom line

	Year 1	Year 2	Year 3	Year 4	total
Revenue measures	3,816.0	3,980.0	4,133.0	4,206.0	16,139.0
Investment measures	316.0	493.0	505.0	518.0	1,822.0
TOTAL	3,500.00	3,487.00	3,628.00	3,688.00	14,317.00

Conclusion

This submission has highlighted key priorities for the coming Budget:

- To apply across all government decisions the principle that good public health policy is good economic policy, especially in regard to policies which prevent diseases and other threats to health.
- To deliver on key government election commitments, including:
 - the creation of the Australian Centre for Disease Control (ACDC)
 - implementation of the National Preventive Health Strategy 2021-30 (NPHS).

Our recommendations, if adopted, would set the Government on course to be a world leader in health policy.

PHAA has a strong record of positive engagement with government agencies and Ministers in helping deliver government public health commitments, and we and the many expert members of our Association will continue to assist. We will continue to engage closely with the Commonwealth Department of Health and Age Care, and all relevant agencies, in a constructive manner. If we can further assist the Treasury in any way, please do not hesitate to contact us.

We thank you for your consideration of this submission.



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