

The Hon. Peter Costello
Treasurer
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Dear Minister,

2007-2008 FEDERAL PRE-BUDGET SUBMISSION

The Public Health Association of Australia (PHAA) is a non-partisan professional organisation concerned to promote the interests of public health in Australia.

This submission is made in response to your invitation to individuals, businesses and community groups to write to you with pre-Budget submissions in relation to the 2007-2008 Budget.

The PHAA recognises that government policy and programs affecting population health are provided through a variety of portfolios including health, community and family services and education, as well those with less obvious but nonetheless important impacts.

PHAA would first wish to acknowledge that the 2006-2007 budget included a number of initiatives that play a significant role in continued improvements to population health in Australia. Nonetheless, even using a generous definition of public health, the Australian Institute of Health and Welfare has estimated that public health attracts only 2.5% of recurrent national government funding on health services. When all government and private health expenditures are taken into account, public health attracts only 1.7% of all national health funding.

There is an overwhelming array of national and international evidence to show that focused public health measures can be highly effective, with benefits far outweighing costs across populations (e.g. smoking prevention, immunisation programs, early childhood interventions). Australian communities have clearly benefited from past and current public health policies and programs, but just as clearly Australian

governments could achieve even better outcomes through an increase in the overall allocation of funds to public health activities.

Australia's health costs are increasing inexorably, in large part because of health problems that are largely preventable. Smoking, obesity and lack of physical activity are major and evident contributors to preventable cancers, cardiovascular disease and the dramatic increase in diabetes. At this point the Australian Government can either start giving prevention the priority and funding that is needed, or reconcile Australians to spending vast sums on treatment for diseases that could have been prevented. While the longevity of Australians is outstanding by international standards, this generation of children could be the first to face a reducing life expectancy, owing to the preventable diseases caused by problems such as obesity.

There is a suite of well-investigated highly cost-effective public health measures that could reduce the health impact on the more than 15 million Australians recently estimated by AIHW to be directly affected by at least one chronic disease. As Australia is now in such a strong economic position and holds a significant surplus, there could be no better time for the Australian Governments to emphasis prevention and set in train a long term strategy aimed at reducing the development of preventable chronic diseases and conditions.

An increase in funding for public health programs and research from the present 2.5% of national expenditure on health to 3.5% would be a valuable step towards the rebalancing of health programs towards providing the health and economic benefits that Australian communities can achieve. At the very least, it would begin the process of matching funding and programs to the level of concern expressed by Ministers and the community about the importance of prevention.

While this submission is not intended to provide details about specific proposals for the expenditure of an increase in funding for public health measures or to set priorities, the PHAA notes that even a modest increase in the allocation to public health could help gain effective action on issues such as early intervention, maternal and early childhood health, school health education, alcohol and drugs, tobacco, obesity, nutrition and physical activity, prevention of sexually transmitted diseases, mental health, screening, Indigenous health, prevention of cancers and cardiovascular diseases, domestic violence, management of chronic disease in primary care, dental care and public health research.

The PHAA remains concerned that the current level of funding for public health measures remains low and as a consequence, even in areas of high priority, public health actions are inadequate and outcomes are limited. If funding continues as at present, even the highest priority areas will have to compete for the limited funding available within the Health portfolio – all too well aware that literally life-saving activities, requiring funding that is modest in comparison with other aspects of health expenditure, are being shelved.

The PHAA urges a commitment from the Australian Government to provide a significantly larger quantum of funds for public health measures, ensuring that public health expenditure is increased to 3.5% of governmental funding on health services.

We would emphasise that we believe this should come from new funding for the Health portfolio, and should not be at the expense of other health services.

Recognising that the PHAA also believes that the current and future Budgets should provide a special focus on meeting the needs of Indigenous communities and other disadvantaged groups.

Should an increase of the nature we propose be envisaged, we would of course be very willing to provide more detailed proposals as to how such funding could be allocated to improve the health of the community. Our purpose in this submission, however, is to argue that public health deserves a significantly greater level of funding, and that this will bring about significant and measurable improvements to the health of the Australian community.

I would be happy to discuss the issues raised in this submission with you or your staff should you feel that this would be useful.

Yours sincerely,

Pieta-Rae Laut
Executive Director
23.11.06